Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC

In the Matter of)	
Applications of Comcast Corporation, General Electric Company, and NBC Universal, Inc.)))	MB Docket No. 10-56
For Consent to Assign Licenses and Transfer Control of Licensees)))	

ANNUAL REPORT OF COMPLIANCE WITH TRANSACTION CONDITIONS

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC

MB Docket No. 10-56

February 28, 2012

ANNUAL REPORT OF COMPLIANCE WITH TRANSACTION CONDITIONS

Comcast Corporation ("Comcast"), for itself and on behalf of NBCUniversal Media, LLC ("NBCUniversal") (and collectively, the "Company"), submits this annual report regarding the Company's compliance with the conditions set forth in Appendix A (the "Conditions") of the *Transaction Order* for the period January 20, 2011 through January 28, 2012 (the "Reporting Period"). In accordance with Condition XIX of the *Transaction Order*, a copy of this report is available as of today at www.comcast.com/FCC-Annual-Report.

This report is structured as follows. *Part One: Compliance Overview* provides an overview of the structure and processes the Company has implemented to oversee compliance with the Conditions. *Part Two: Compliance with Specific Conditions* summarizes the steps the Company has taken with respect to each of the Conditions. For ease of use, *Part Two* is organized to correspond with each section of the Conditions. Where a particular section is definitional only or otherwise does not include directives requiring or prohibiting certain conduct, this report nonetheless includes a reference for completeness. *Part Three: Overview of Progress on Voluntary Diversity Commitments* highlights some of the diversity and inclusion-related accomplishments that the Company has achieved since the Transaction.

In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc., For Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (as amended by the Erratum released on March 9, 2011). Capitalized terms have the meaning ascribed herein and do not necessarily conform to the terms or definitions used in the Transaction Order.

The Reporting Period started on January 20, 2011 (the Transaction Order's release date) and runs through the anniversary of the close of the Transaction. *See* the definition of "Order Date" in Condition I of the *Transaction Order*. The Comcast-NBCUniversal transaction (the "Transaction") closed on January 28, 2011.

PART ONE: COMPLIANCE OVERVIEW

Immediately upon release of the *Transaction Order*, the Company put in place a formal compliance infrastructure designed to oversee and guide its compliance with the Conditions and commitments related to the Transaction. Using that structure, the Company established comprehensive processes and procedures designed to (1) ensure compliance with the requirements described in the Conditions and related commitments; (2) train relevant personnel on their obligations and the applicable guidelines; and (3) oversee reporting. The structure and elements of this compliance framework are summarized below.

A. Comcast Transaction Compliance Team

To implement and oversee an effective compliance program, the Company created formal organizational structures at both Comcast and NBCUniversal under the ultimate authority of David L. Cohen, Comcast Corporation's Executive Vice President. The Comcast Transaction Compliance Team is composed of:

- Lynn Charytan, Vice President, Legal Regulatory Affairs and Senior Deputy General Counsel, Comcast Corporation.
- Justin Smith, Vice President, Senior Deputy General Counsel and Chief Joint Venture Compliance Officer, Comcast Corporation.
- Frank La Fontaine, Assistant Deputy General Counsel and Deputy Joint Venture Compliance Officer, Comcast Corporation.
- Christopher Simonson, Joint Venture Compliance Manager, Comcast Corporation.

The Comcast Transaction Compliance Team also works closely with Arthur Block, Comcast's Senior Vice President and General Counsel. The team is responsible for implementing compliance controls and managing day-to-day compliance-related activities for Comcast, and for overseeing and coordinating compliance activities at NBCUniversal. In addition, the Comcast Transaction Compliance Team conducts training on compliance requirements, monitors compliance procedures and systems, and prepares and files the reports required under the Conditions.

B. NBCUniversal Transaction Compliance Team

NBCUniversal has established a parallel compliance team that is responsible for day-to-day oversight of NBCUniversal compliance activities and for coordinating with and reporting into the Comcast Transaction Compliance Team. In addition to being under the ultimate authority of Mr. Cohen, the NBCUniversal Transaction Compliance Team is under the day-to-day oversight of Rick Cotton, Executive Vice President and General Counsel of NBCUniversal. The NBCUniversal Transaction Compliance Team is composed of:

- Alisa Shudofsky, Senior Vice President, Compliance, NBCUniversal.
- Susanna Zwerling, Senior Counsel, Merger Compliance, NBCUniversal.
- Cathryn Sadler, Senior Counsel, NBCUniversal.
- Ersell Reid, Merger Compliance Paralegal, NBCUniversal.

The NBCUniversal Compliance Team is also supported by Margaret Tobey, Vice President, Regulatory Affairs, NBCUniversal.

To enhance compliance efforts, the Comcast and NBCUniversal Transaction Compliance Teams communicate on a regular basis, including through weekly conference calls, as well as additional ad hoc telephone calls and meetings, to discuss Transaction-related issues. This close collaboration ensures consistency in compliance methods, interpretation, and oversight across the Company's numerous business units. It also ensures that any problems or questions are identified and elevated at an early stage and receive appropriate attention at the highest levels of the Company, when and as appropriate. Finally, the teams are regularly advised by outside counsel versed both in the Conditions and the Company's businesses.

C. <u>Training of the Relevant Business Units</u>

The Company's Transaction Compliance Teams together with outside counsel have devoted substantial time to educating Company personnel about the Conditions. This attention to training began immediately after release of the *Transaction Order*. Within the first two weeks of the release of the Conditions, for example, the Comcast Transaction Compliance Team:

- Notified business unit leaders of "Day One" compliance requirements with respect to Conditions that were effective immediately.
- Identified all matters that had to be addressed within the first 90 days after the Transaction and communicated those matters to the responsible business people.
- Conducted a training session on all key compliance requirements at a mandatory
 meeting attended by Comcast senior corporate and business unit leaders
 representing all business activities implicated by the Conditions. In connection
 with this training, the General Counsel of Comcast distributed the Conditions and
 related compliance training materials to each invitee.

Since that time, the Comcast Transaction Compliance Team has continued to engage in ongoing training, including:

• Tailored, in-person training to the Comcast Video Business Unit staff, the Comcast Content Acquisition group, and Comcast Corporation in-house counsel.

- Two webinar training sessions with over 300 Comcast government affairs personnel who work in local markets across the country.
- Personalized training with new officers.
- The first of what will be regular, semi-annual training for business leaders and inhouse counsel in relevant business units of the Company.

Training activities have been closely coordinated with the attorneys in each affected business unit to broaden compliance oversight and to receive feedback about areas where additional training needs exist.

The NBCUniversal Transaction Compliance Team conducted similar training activities. For example, the team:

- Notified business unit leaders of "Day One" compliance requirements with respect to Conditions that were effective immediately.
- Circulated targeted e-mails to executives at all relevant business units outlining specific obligations applicable to those businesses and circulated refresher messages on an annual and semi-annual basis.
- With in-house legal counsel, conducted dozens of targeted training sessions on the pertinent conditions with all relevant business units.

The NBCUniversal Transaction Compliance Team also has provided and will continue to provide annual or semi-annual training and continues to work with the affected business units to ensure awareness among all employees that may be involved in business decisions relevant to any of the Conditions.

D. Compliance Monitoring and Auditing

Given the far-ranging scope of the Conditions, the Company established several processes to monitor, track, and audit compliance-related activities. The Transaction Compliance Teams and the relevant business units throughout the Company worked to separate every Condition into its component parts and then into concrete requirements, tasks, and goals to guide business-unit-level compliance activities. These business implementation plans were used to prepare spreadsheets and other manual tracking and calendaring tools that captured all commitment deadlines, as well as the assigned task "owners" and delegates.

In addition, the Company has contract approval processes that have been adapted specifically to ensure compliance with the Conditions. Where a relevant transaction may implicate the Conditions, review and sign off by a member of the Transaction Compliance Team is required before finalizing the agreement.

Transaction compliance functions will soon be supplemented by the implementation of an automated compliance tracking tool. Scheduled for deployment in mid-2012, the tool demonstrates the Company's ongoing commitment and investment in compliance with and oversight of the Conditions. The tracking tool consists of a comprehensive database designed to track all Conditions as well as related commitments and agreements (the "Compliance Tracker"). This collaborative application will allow business users across the Company to automate goal tracking and reporting processes and gain insight into the status of all Conditions and tasks for which they are responsible.

Creation of the Compliance Tracker has been a considerable undertaking. Working with a leading compliance software developer, the Transaction Compliance Teams spent several months designing a custom solution that could manage, track, and report on all of the business compliance plans during the entire lifespan of the Conditions (most of which are in effect for seven years). Preparation of the complete data set for the application required converting hundreds of individual business plans into thousands of individual, database-ready compliance records, each designating unique events, deadlines, and stakeholders.

When completed, the Compliance Tracker will allow the Transaction Compliance Teams to manage electronically the lifecycle of all Transaction-related obligations by facilitating documentation of task completion or gaps, and permitting ready status reports. It will be designed to send automated reminder messages at set intervals to remind business owners of their compliance obligations and the deadlines set for each task. Where appropriate, manual trackers will continue to be used in conjunction with the automated tool.

PART TWO: COMPLIANCE WITH SPECIFIC CONDITIONS

I. **DEFINITIONS**

Provision defining the terms used in the Conditions: This section is definitional only.

II. ACCESS TO C-NBCU PROGRAMMING

Provision establishing that multichannel video programming distributors (MVPDs) may submit program access disputes to commercial arbitration: Because NBCUniversal is in the business of licensing programming to MVPDs, it has every incentive, separate and apart from the Conditions, to engage in good faith commercial negotiations designed to make that programming available to MVPDs at a mutually acceptable price, and on mutually acceptable terms and conditions. This has been the normal course both before and after the Transaction. No MVPD has submitted any program access dispute to commercial arbitration since the close of the Transaction.

III. CARRIAGE OF UNAFFILIATED VIDEO PROGRAMMING

1. Non-Discriminatory Carriage

Prohibition on the Company discriminating in video programming distribution on the basis of affiliation or non-affiliation: Because this Condition involves the program carriage requirements applicable to Comcast (and other MVPDs) before the close of the Transaction, Comcast business units and attorneys have been and are extraordinarily sensitive to program carriage issues and well-versed in the relevant obligations. Nevertheless, since the close of the Transaction, as described in Part One: Compliance Overview, the Comcast Transaction Compliance Team has conducted several in-person or written trainings with relevant business and legal personnel involved in carriage decisions to ensure heightened awareness of and compliance with these requirements. And a review of Comcast's offerings shows that Comcast carries a broad array of unaffiliated programming networks. In fact, independent networks comprise approximately six out of every seven networks carried by Comcast and, as discussed in Part Two: Compliance with Specific Conditions, Section III.3, Comcast has launched or announced the launch of several new independent networks during the Reporting Period. Further, as noted in Part Three: Overview of Progress on Voluntary Diversity Commitments, Comcast has substantially expanded the distribution of several existing independent networks.³ There have been no program carriage complaints filed against Comcast since the close of the Transaction.

2. Neighborhooding

Requirement that independent news channels be included if Comcast creates news neighborhoods: Comcast has not rearranged any news channels into a neighborhood since the close of Transaction and, as a result, has not incurred any obligation to neighborhood news channels (except in systems that have placed high-definition channels into the genre-based master channel lineup Comcast introduced into select markets beginning in 2010).⁴ Nevertheless, to ensure sensitivity to this Condition and avoid even unintentional compliance concerns, Comcast contacted personnel who may be involved in any channel relocations to emphasize Comcast's obligations.

On June 13, 2011, Bloomberg L.P. ("Bloomberg") filed a complaint with the Commission seeking to be included in alleged pre-existing news neighborhoods on all Comcast systems within the 35 most-populous designated market areas ("DMAs"). Comcast answered the complaint on July 27, 2011, denying that it had violated the Condition or that Bloomberg was entitled to the relief it sought, and Bloomberg replied on August 30, 2011. On September

³ See Part Three: Overview of Progress on Voluntary Diversity Commitments, Section D.

⁴ See Bloomberg L.P. v. Comcast Cable Communications, LLC, Answer of Comcast Cable Communications, LLC, MB Docket No. 11-104 (Jul. 27, 2011), at ¶ 22.

⁵ *Id.*, Complaint (Jun. 13, 2011).

27, 2011, Comcast moved for leave to file a surreply and tendered a copy of its filing. Bloomberg opposed Comcast's motion for leave on October 7, 2011, and Comcast replied on October 17, 2011.

3. New Independent Networks

Requirement to launch 10 new independently owned-and-operated networks within eight years, eight of which are to be minority owned or controlled: Comcast has already met the first, 18-month deadline for the launch of an independent network: BBC World News is now available on Comcast systems in Philadelphia, Chicago, Boston, Minneapolis, Indianapolis, Portland, Northern California, Michigan, and Western New England, and will launch in additional Comcast markets in 2012.

Comcast is also well on its way toward meeting and beating the next milestones under this Condition — the launch of two more channels within two years and one more within three years of the *Transaction Order* — while simultaneously satisfying its separate voluntary commitment with various third parties that a subset of the 10 independently owned-and-operated networks to be added would have Hispanic American or African American ownership or management.⁶ On April 4, 2011, Comcast announced that it was seeking proposals for a Hispanic American operated independent network programmed in English to launch by the end of July 2012 and two majority African American owned independent networks that will launch by the end of January 2013.⁷ The selection process for these networks began with a request for proposals which was prominently advertised online, in national magazines aimed at the African American and Hispanic American communities (*e.g.*, *Black Enterprise* and *Hispanic Business*), and in trade publications like *Multichannel News* and *Broadcasting & Cable*. Interested parties were directed to visit a special section of the Comcast website to obtain more information about the proposal submission process.⁸ Applications were accepted through June 1, 2011.

Comcast received close to 100 proposals for new independently owned-and-operated African American and Hispanic American networks. As explained in more detail in *Section Three: Overview of Progress on Diversity Commitments*, on February 21, 2012, and following a thorough evaluation process, Comcast announced that it had reached agreements to launch four independent owned-and-operated channel additions well within the time frames required

See Memorandum of Understanding between Comcast Corporation, NBC Universal and the Hispanic Leadership Organizations at § 7(b); and Memorandum of Understanding between Comcast Corporation, NBC Universal and the African American Leadership Organizations at § 7(b)(i), included in the *Transaction Order* as Appendix G.

See D. Jensen, Comcast Begins Effort to Launch 10 New Independent Networks, Comcast Voices Blog, http://blog.comcast.com/2011/04/comcast-begins-effort-to-launch-10-independent-networks.html (Apr. 4. 2011).

The dedicated page was accessible at www.comcast.com/diverseprogramming (no longer active).

by the Conditions.⁹ The two African American owned and operated channels are: *Revolt*, created by superstar and entrepreneur Sean "Diddy" Combs and MTV veteran Andy Schuon; and *Aspire*, created by sports legend and entrepreneur Earvin "Magic" Johnson and the Gospel Music Channel. For the Hispanic American selection, Comcast announced two Hispanic American owned and operated networks: *El Rey*, created by legendary Hollywood director Robert Rodriguez, whose filmography includes *Desperado*, *Spy Kids*, and *Machete*; and *Baby First Americas*, created by Spanish-language TV veteran Constantino "Said" Schwarz.¹⁰

4. Program Carriage Complaints

Procedure for bringing carriage complaints: This section is administrative in nature.

IV. ONLINE CONDITIONS

A. Online Program Access Requirements and Procedures

Provision setting forth program access requirements that obligate the Company to provide its programming for online display by third parties in certain circumstances: These online program access requirements apply primarily to NBCUniversal, because it holds the Company's film and broadcast programming and the overwhelming bulk of the cable network assets, with the exception of five locally-focused and majority-owned Comcast programming networks that were not transferred from Comcast to NBCUniversal as part of the Transaction (the "Retained Networks"). Because the online program access obligations are new and the guidelines complex, the Transaction Compliance Teams have spent significant time and effort training the relevant personnel with regard to the applicable requirements and have worked closely and regularly with outside counsel to ensure consistent guidance and approach.

During the Reporting Period, the Retained Networks have not received requests for online video programming distribution licenses from MVPDs or Online Video Distributors ("OVDs") pursuant to this Condition. NBCUniversal, however, has received many such requests from OVDs for film, broadcast, and cable programming. Some OVDs have specifically sought to obtain online video programming distribution licenses under the terms of the Conditions. The majority of these OVDs have relied on the so-called "Benchmark Condition". A minority have sought a "Full Freight" or "MVPD Price" offer. In other cases, OVDs have made requests

See Press Release: Comcast Announces Agreements with Four New Minority-Owned Independent Networks, http://www.comcast.com/About/PressRelease/PressReleaseDetail.ashx?PRID=1155&SCRedirect=true (Feb. 21, 2012).

¹⁰ See Part Three: Overview of Progress on Diversity Commitments, Section D.

The five Comcast Retained Networks are: Comcast Hometown Network (San Francisco, CA); C2 (Charleston, SC); Comcast Entertainment Television (Denver, CO); Comcast Television Network (Indiana and Michigan); and CN100 (Chicago, IL).

See Part Two: Compliance with Specific Conditions, Section IV.2.b.

outside the context of the Conditions. In fact, NBCUniversal has negotiated and executed license agreements with several OVDs on mutually agreeable commercial terms without resort to the specific processes of the Conditions. For example, NBCUniversal has entered into publicly announced online display arrangements with several OVDs since the Transaction, including Amazon.com, ¹³ YouTube, ¹⁴ and Vudu. ¹⁵ In addition, NBCUniversal Domestic Television Distribution renewed and expanded its deal with Netflix to provide past and future seasons of hit shows such as *30 Rock* and *The Office* on a one-season delay basis. This agreement continues a relationship with Netflix that began in 2006. In addition, some OVD agreements, such as NBCUniversal's agreement with Hulu, were already in place before the close of the Transaction.

As of January 28, 2012, only one OVD had filed a formal demand for arbitration pursuant to the Commercial Arbitration Remedy established by the Conditions, and that demand was filed while NBCUniversal continued to make progress in good faith negotiations with the OVD.¹⁶

B. Exclusivity/Windowing

Restriction on the Company's ability to enter into or enforce provisions designed to limit online video distribution, except in certain circumstances: The Transaction Compliance Teams, applicable business teams, and inside and outside counsel use the contract review process described in Part One: Compliance Overview to identify and review any exclusivity, windowing, or alternative distribution method ("ADM") requests in programming or carriage contracts that could limit online display of video programming. Personnel responsible for licensing programming throughout the Company routinely seek legal guidance before proposing or agreeing to any such provision. Preexisting and peer practices have also been carefully reviewed and tracked to provide necessary guidance concerning applicable exceptions.

See Press Release: Amazon Announces Digital Video License Agreement with NBCUniversal Domestic TV Distribution, http://phx.corporate-ir.net/phoenix.zhtml?c=176060&p=irol-newsArticle&ID=1590224&highlight="http://phx.corporate-ir.net/phoenix.zhtml">http://phx.corporate-ir.net/phoenix.zhtml?c=176060&p=irol-newsArticle&ID=1590224&highlight="http://phx.corporate-ir.net/phoenix.zhtml">http://phx.corporate-ir.net/phoenix.zhtml?

See L. Martinez, *Telemundo, Mun2 Launch Dedicated YouTube Channels*, Multichannel News, http://www.multichannel.com/article/474821-Telemundo_Mun2_Launch_Dedicated_YouTube_Channels.php (Oct. 5, 2011).

See T. Spangler, Wal-Mart's Vudu to Conjure Up 10,000-Plus TV Shows, Multichannel News, http://www.multichannel.com/article/474251-
Wal Mart s Vudu To Conjure Up 10 000 Plus TV Shows.php (Sep. 22, 2011).

As the Company explained in a February 17, 2012 letter to the Media Bureau, implementation of the Benchmark Condition has presented significant challenges when OVDs invoking it have resisted sharing the peer deals on which they were basing their request. Failure to share peer deals has essentially made it impossible for NBCUniversal to make progress in good faith negotiations with OVDs seeking to invoke the Benchmark Condition. The Company has sought the Bureau's guidance on the procedures for implementation of the Condition to ensure timely compliance by NBCUniversal while providing appropriate confidentiality assurances to OVDs and peers.

Exclusivity, windowing, and ADM provisions are common practice in the industry, as Netflix recently explained to investors, ¹⁷ and are often pro-competitive, as the Department of Justice acknowledged in its review of the Transaction. ¹⁸ Exclusive licensing deals are regularly sought by programmers and programming providers doing business with the Company. Nevertheless, as a result of the Condition, and notwithstanding an allowance for regular industry practice in certain circumstances, the Company has on several occasions rejected or significantly narrowed provisions of this type.

C. Continued Access to Online Content and Hulu

1. Continued Programming on NBC.com

Requirement to continue to provide equivalent programming on NBC.com on equivalent terms and conditions: During the Reporting Period, NBC.com maintained programming of the equivalent type, quantity, and quality as provided by the site on the date of the *Transaction Order*, and on equivalent terms and conditions.

2. Preexisting OVD Deals

Obligation to honor any agreement or arrangement entered into before the date of the Transaction Order providing rights to online video programming: Preexisting licenses for online display of programming have not been terminated and will be honored until the close of their existing terms, absent material breach by the licensee.

3. Provision of Content to Hulu

Requirement that NBCUniversal renew its agreements with Hulu on substantially the same terms and conditions as the other two content partners (Disney-ABC Television Group and Fox Entertainment Group): As has been publicly reported, the continuity of Hulu's ownership was in question during a significant portion of the Reporting Period, while the owners not affiliated with the Company attempted to sell Hulu. Nevertheless, as is evident on the face of the service, all three content provider-owners have continued to provide content to Hulu comparable to the content provided before the close of the Transaction, and the parties' interactions in this regard have been conducted in accordance with the provisions of this Condition.

See Netflix Q3 2011 Letter to Investors, http://ir.netflix.com/common/download/download.cfm?companyid=NFLX&fileid=511277&filekey=85b155bc-69e8-4cb8-a2a3-22465e076d77&filename=Investor Letter Q3 2011.pdf (Oct. 24, 2011) ("Our recent agreements with AMC and the CW will assure the flow of exclusive — and addictive — prior season serialized television in the coming years.... In television, by contrast, the networks (ABC, FX, etc.) have long relied on exclusive content to differentiate among themselves. As video moves online, so too has this practice of exclusive content.").

United States of America, et al. v. Comcast Corp., et al, Competitive Impact Statement, Case 1:11-cv-00106 (Jan. 18, 2011), at 35.

The requirement that NBCUniversal either renew its existing agreements or track those of the other two content provider-owners has proved extremely complicated in practice. To review its options and compare and evaluate the alternatives, NBCUniversal would need to review the other parties' agreements; this presents a significant challenge that will have to be navigated in order to facilitate compliance.

4. Relinquishment of Control over Hulu

Obligation to convert NBCUniversal's interest in Hulu to one that is purely economic: The Company has taken the action necessary to change NBCUniversal's interest in Hulu to a purely economic interest. A letter evidencing this change was submitted to the Commission on February 22, 2011.¹⁹

D. Standalone Broadband Internet Access Service ("BIAS")

1. Provision of Standalone BIAS

Requirement to provide BIAS on a standalone basis and to offer a new 6 Mbps down service at no more than \$49.95 per month: Comcast offers on a standalone basis, and at reasonable prices, any tiers of BIAS that it offers on a bundled or multi-product basis. Within approximately 30 days after the *Transaction Order* was released, Comcast launched a new BIAS tier of 6 Mbps down priced at \$49.95 per month known as "Performance Starter." The terms and conditions of service and service characteristics — e.g., the usage cap and congestion management — for each of Comcast's standalone BIAS offerings are equivalent to those that apply to comparable BIAS tiers offered in Comcast's multi-product or bundled offerings.

2. Visibly Offer and Actively Market Retail Standalone BIAS

Obligation to visibly offer and actively market standalone retail BIAS: Comcast has and continues to visibly offer and actively market retail standalone BIAS. Comcast regularly promotes standalone BIAS in its general marketing efforts, referencing the standalone BIAS options in advertisements and other promotional materials. Comcast supplemented its normal practices during the Reporting Period with a major advertising campaign for its standalone BIAS offerings, including a significant promotional offer for the Performance Starter service. During the course of the campaign, Comcast offered the Performance Starter tier — normally \$49.95 per month — for \$29.99 per month for a six-month promotional period. Comcast has ensured that standalone BIAS offerings, including Performance Starter, appear with prominence equal to that of bundled offerings on any call center screen.

See Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 (Feb. 22, 2011).

Comcast also has provided extensive training to its customer sales representatives regarding standalone BIAS options, including, most recently, training to offer the Performance Starter tier.

Finally, Comcast provides a linkable web page devoted exclusively to describing (e.g., price and speed) and permitting online purchase of all retail standalone BIAS offerings, including Performance Starter.²⁰

3. BIAS Annual Report

Requirement that Comcast file a report regarding its compliance with Condition IV.D.1 annually and upon any standalone BIAS price adjustment: Comcast filed annual reports on its standalone BIAS and those of its competitors on February 22, 2011 and February 22, 2012.²¹

E. Other BIAS Conditions

1-2. Specialized Service Requirements

Requirements that apply should Comcast offer a "Specialized Service" that includes its own or third party content: Comcast is not offering any "Specialized Services" as described in Condition IV.E. The Company will comply with the applicable requirements for any such services should they be offered by the Company.

3. 12 Mbps Offering

Obligation to offer a BIAS tier of at least 12 Mbps down in all Comcast DOCSIS 3.0 markets: A "Performance" service tier with at least 12 Mbps download speeds is offered across Comcast's entire DOCSIS 3.0 footprint and has been throughout the Reporting Period.

F. "Specialized Service" on Comcast Set-Top Boxes ("STBs")

Provision noting that the requirements of Condition IV.E.1 and 2 will apply should Comcast STBs enable access to a "Specialized Service": Because Comcast is not offering any "Specialized Services" as described in Condition IV.E, this Condition does not apply. Comcast will comply with the applicable requirements for any such services should they be offered in the future.

See http://www.comcast.com/Corporate/Learn/HighSpeedInternet/new-highspeedinternet.html.

See Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 (Feb. 22, 2011); and Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Senior Deputy General Counsel, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 (Feb. 22, 2012).

G. <u>Unfair Practices</u>

Prohibition on unfair methods of competition, retaliation, and improper influence: The requirements of this Condition are consistent with the Company's ordinary business practices and have been fully complied with.

V. NOTICE OF CONDITIONS

Requirement that the Company provide notice of the Conditions to OVDs, MVPDs and video programming vendors in connection with expiring agreement or new requests: In response to new requests for carriage or programming, or expiring agreements, the Company provides the requesting party with a copy of the Conditions by e-mail. Comcast employs two forms of notice: one for programmers who make a first-time request or initiate discussions regarding carriage of their programming and another for use in advance of the expiration of existing carriage agreements. Similarly, NBCUniversal uses three notice templates: one general form for use with first time requests or soon-to-expire existing licenses; a general form for NBCU Networks Distribution to MVPDs or OVDs; and a modified form that includes language covering ongoing discussions for additional NBCUniversal content. All notice templates include a copy of the Conditions in PDF format.

This Condition has required detailed tracking of contract expiration dates across thousands of agreements, identification of first-time carriage requests, and tracking of days passed from such requests, as well as related record-keeping. By the end of 2011, NBCUniversal had distributed 800-plus notices of the Conditions to MVPDs, video programming vendors, and OVDs, and Comcast had distributed approximately 560 notices to programmers.

VI. REPLACEMENT OF PRIOR CONDITIONS

Provision replacing Adelphia arbitration procedures: This Condition is administrative in nature.

VII. COMMERCIAL ARBITRATION REMEDY

Procedures for arbitration: This Condition is administrative in nature; however, to the extent that the Company has engaged in arbitration pursuant to the Conditions to date, these procedures have governed.

VIII. MODIFICATIONS TO AAA RULES FOR ARBITRATION

Modification of the American Arbitration Association's rules: This Condition is administrative in nature. ²²

²² See Part Two: Compliance with Specific Conditions, Section VII.

IX. BROADCAST CONDITIONS

Requirement to comply with Sections 2, 3, and 7 of the June 3, 2010 Agreement between Comcast Corporation, NBC Universal, Inc. and the NBC Television Affiliates (the "NBC Affiliates Agreement"), and with all of the terms of the June 21, 2010 Agreement between Comcast Corporation and the ABC Television Affiliates Association, the CBS Television Network Affiliates Association, and the FBC Television Affiliates Association (the "ABC, CBS and Fox Affiliates Agreement"): Separate and apart from this Condition, the Company remains bound by and committed to these agreements. The Condition's extension of the duration of certain provisions of the NBC Affiliates Agreement is irrelevant at this time since the initial term is still in effect.

In keeping with the requirements of the Conditions and the underlying agreements, the Company maintains the independence of its cable and broadcast businesses, ensuring, among other things, that NBCUniversal negotiates retransmission consent for its owned NBC and Telemundo television stations with non-Comcast MVPDs, independently, without the influence or participation of the Comcast Cable business (*see* Section 3 of the NBC Affiliates Agreement), and that Comcast Cable independently negotiates retransmission consent with ABC, CBS, Fox, and non-NBCUniversal owned NBC affiliates without the influence or participation of the NBCUniversal broadcast business (*see* Sections 2 through 6 of the ABC, CBS and Fox Affiliates Agreement). Where such negotiations have occurred to date, the independence requirements have been properly observed. The Company has also abided by its affiliate market integrity obligations under Section 7 of the NBC Affiliates Agreement.

Finally, the Company has maintained major sporting events on the NBC Network, as the Company committed in Section 2 of the NBC Affiliates Agreement, which is incorporated into this Condition.

X. DIVERSITY CONDITIONS

1. Telemundo Multicast Channel

Requirement that the Company launch a new multicast channel on its Telemundo Station Group stations by January 28, 2012, and make this programming available to Telemundo affiliates: On January 9, 2012, Telemundo launched Exitos TV, a new network on Telemundo's multicast spectrum which broadcasts telenovela programming from Telemundo's library across the 15 stations that compose the Telemundo Station Group. As the Condition requires, Exitos TV has been made available to the 14 Telemundo-affiliated broadcast stations not owned by NBCUniversal. On Sunday mornings, Exitos TV carries three hours of children's Educational/Instructional ("E/I") programming, including Dudley the Dragon, A.J.'s Time Travelers, and Salsa.

2-3. Telemundo and mun2 Programming on Comcast On Demand ("VOD") and Online

Requirement that the Company use its VOD and online platforms to feature Telemundo programming and increase the number of Telemundo and mun2 VOD programming choices from 35 to 100 choices within 12 months and by an additional 200 choices within 3 years: As of August 2011, the number of Telemundo and mun2 VOD programming choices available on Comcast's central VOD storage facilities had been increased to 135 choices, surpassing the requirements of the Condition. The 300 choice milestone does not occur until 2013 and will be included in that year's report. Telemundo VOD choices have included full-length episodes of popular Telemundo programming like 12 Corazones, Caso Cerrado, La Casa de al Lado, Mi Corazón Insiste, Decisiones and Pa'lante con Cristina, while mun2 VOD choices have included full-length episodes of From Beyond as well as numerous clips of the most-watched performances from the 2011 Alma Awards and the 2011 Mexican Billboard Awards.

Telemundo programming is also available online on Comcast's XfinityTV.com Hispanic American microsite (http://xfinitytv.comcast.net/specials/latino) under the "Networks" heading. StinityTV.com currently offers ~70 choices of Telemundo programming, including full-length episodes of the popular telenovelas *Relaciones Peligrosas* and *Mi Corazón Insiste*.

In addition, the Company has continued expanding its online offering of full-length Telemundo and mun2 programming. Telemundo offers over ~40 long-form programs on its online video portal, ²⁴ including episodes of its popular telenovelas *Aurora*, ¿Dónde Está Elisa?, and *La Reina del Sur*. This content has made Telemundo.com one of the top three television network websites across several key categories and the number one Hispanic broadcaster site in viewer engagement. ²⁵ As for mun2, its www.mun2.tv/video portal features full-length episodes of popular mun2 original programs such as *Las Aparicio*, *Sesiones*, and *2RSLVJ*, among thousands of additional choices.

4. New Weekly Business Program

Obligation to work with an independent producer to produce a new weekly business news program: In order to fulfill its obligation to launch a new weekly business news program in 2011, the Company committed to support the United States Hispanic Chamber of Commerce ("USHCC")'s independent production of new episodes of its show, *Hispanic Business Today:* American Success Stories. The program, conducted in English and syndicated in 45 markets, showcases how Hispanic entrepreneurs and local Hispanic chambers of commerce are boosting economic development by facilitating business contacts and creating jobs.

See http://xfinitytv.comcast.net/tv-networks/Telemundo-Network-Group%2C-LLC/80/main (direct link).

See http://msnlatino.telemundo.com/videos/allprograms.

See Press Release: Telemundo.com Ranks in the Top Three Most Engaged Video Experiences among All TV Networks in July, http://www.nbcumv.com/mediavillage/networks/telemundo/pressreleases?pr=contents/pressreleases/2011/08/23/telemundocomran1314130741386.xml (Aug. 23, 2011).

At the request of the USHCC, the Company made a financial contribution to underwrite the production of new episodes. The Company also provided relationship assistance to the USHCC to enhance distribution opportunities for the program in key markets and will continue to provide additional distribution support based upon its experience and contacts in the industry.

5. Independent Programming Reports

Requirement to file quarterly reports concerning the independent programming aired by the Company's owned or controlled stations and programming networks: During the Reporting Period, Comcast filed four quarterly reports with the Commission containing information on the independent programming aired by each of the Company's owned or controlled stations and programming networks during the previous three months. The reports were filed on the following dates: May 11, 2011 (first quarter); July 11, 2011 (second quarter); October 17, 2011 (third quarter); and January 17, 2012 (fourth quarter). The reports were posted and remain available at www.comcast.com/independentprogramming, and each reporting station or network maintains a link on its website to the report landing page on Comcast.com or makes the report available on its own website. While the Condition establishes no target, it is worth noting that, as detailed in the reports, the Company collectively aired approximately 127,976 hours and 30 minutes of independent programming during the Reporting Period, an average of over 31,000 hours per quarter.

XI. LOCALISM

1. News, Public Affairs, and Other Local Public Interest Programming

Obligation to "preserve and enrich the output of local news, local public affairs, and other public interest programming" through the use of certain windows on the NBCUniversal-owned stations, time slots on the cable channels, and Comcast VOD and online platforms: Preserving and enriching the output of local news and public interest programming has been a top priority for the Company. As described in Part Two: Compliance with Specific Conditions, Sections XI.1.a-c, the Company not only preserved the level of local news output aired at the time of the close of the Transaction, but also made considerable, long-term investments in the local news operations, including the most significant expansion in recent years of the news departments at the stations that compose the NBC Owned Television Stations and the Telemundo Station Group divisions.

Comcast also made several highly-publicized launches of new local and public interest content on its respective VOD and online platforms. *Missing Kids* launched on VOD across Comcast's footprint and online at www.xfinity.com/news/missingkids in January 2011.²⁶ Content in this section of Comcast's VOD service features profiles of missing children from all

See Press Release: New Comcast Missing Kids On Demand and Online Service Brings Missing Children Information to Millions of Consumers, http://www.comcast.com/about/pressrelease/pressreleasedetail.ashx?SCRedirect=true&PRID=1036 (Jan. 27, 2011).

across the nation. *Missing Kids* is a first-of-its-kind public service initiative in partnership with the National Center for Missing & Exploited Children. Starting in October 2011, *Missing Kids* content was also made available through the news section of the website maintained by each station in the NBC Owned Television Station division. Comcast also debuted *Xfinity High School Sports* in eight markets: Atlanta, Chicago, Houston, Indianapolis, San Francisco, Seattle, Pittsburgh, and Miami. All games are available any time of the day or night via Comcast's VOD platform, which is available to Xfinity customers at no additional charge. In addition, 24 Comcast markets now have VOD access to *Comcast Newsmakers*, which are short-form interview segments that provide a unique platform for local, state, and federal officials, as well as community leaders, to share their thoughts on current events and issues of interest with local viewers. These segments also air on CNN Headline News at :24 and :54 minutes past the hour across the Comcast footprint.

Comcast's VOD platform also hosted public interest programming as part of its celebration of Black History Month, Asian Pacific American Heritage Month, LGBT (lesbian/gay/bisexual/transgender) Pride Month, and Hispanic Heritage Month.²⁸

a. <u>Preservation of Current Levels of NBC and Telemundo News and Information</u> Programming

Prohibition on reduction of current level of news and information programming on the stations that compose the NBC Owned Television Stations and Telemundo Station Group divisions: The NBC and Telemundo television stations owned by the Company did not reduce their level of news and information programming from the amount aired in the year preceding the close of the Transaction. To the contrary, as detailed below, the NBC Owned Television Stations and the Telemundo Station Group divisions expanded their news and information content with newscasts and other programming launched during the Reporting Period.

b. Increased Investment in NBC Local News

Obligation to expand newscasts at the stations that compose the NBC Owned Television Stations division: On October 31, 2011, the Company announced a number of enhancements at the 10 local stations that compose the NBC Owned Television Stations division that are the result of a major investment by the Company to further strengthen the newsgathering operations at the stations and ensure they have the resources necessary to effectively compete in their markets.²⁹ The investments, most of which took take place during the Reporting Period, include:

See Press Release: Comcast Hometown Network (Channel 104) to Air 24 High School Basketball Games in 2012, http://comcastcalifornia.mediaroom.com/index.php?s=43&item=538 (Jan. 4, 2012).

²⁸ See Part Three: Overview of Progress on Voluntary Diversity Commitments, Section II.D.

See Press Release: NBCUniversal Makes Major Investment in NBC Owned TV Stations, http://www.nbcuni.com/corporate/newsroom/nbcuniversal-makes-major-investment-in-nbc-owned-tv-stations (Oct. 31, 2011); and related blog post, http://www.nbcudirect.com/nbcownedstations103111/ (Oct. 31, 2011).

- Hiring more than 130 people across all 10 stations, primarily in the news departments, including reporters, producers, and photographers.
- Establishing investigative and/or consumer units in five markets, including NBC 4 Washington.
- Adding 15 new vehicles to the current fleet as well as upgrading 14 more vehicles with live news capabilities.
- Purchasing 20 new cameras and other new equipment.
- Building new sets and/or studios at four stations, including NBC 4 New York.
- Adding or increasing the hours of helicopter coverage in several markets.
- Restoring the promotions departments at all 10 stations. These departments promote local newscasts; a function previously centralized in New York City.

c. <u>Increased Investment in Telemundo Local News</u>

Obligation to increase investment in the Telemundo Station Group's locally-produced newscasts, over three years: In addition to the programming expansion described in Part Two: Compliance with Specific Conditions, Sections XI.2-3.b, on August 8, 2011, the Telemundo Station Group announced a multi-million dollar investment in upgrading local technical infrastructure at its top Hispanic market stations to give them local high-definition news production capability.³⁰

2-3. 1,000 Hours of Additional Local News and Information

As detailed below, the Company exceeded its year-one target to launch an expanded schedule of local news and information programming at the stations that compose the NBC Owned Television Stations and Telemundo Station Group divisions.

a. NBC Owned Television Stations

Requirement that the stations that compose the NBC Owned Television Stations division produce an additional 1,000 hours per year of original, local news and information programming to air on multiple platforms: During the Reporting Period, the Company scheduled and began producing and airing what will amount to close to 2,000 hours of additional local news programming per year at the 10 stations that compose the NBC Owned Television

See J. Eggerton, Telemundo: We're Delivering on Comcast Promise, Multichannel News, http://www.multichannel.com/article/472082-Telemundo_We_re_Delivering_on_Comcast_Promise.php (Aug. 8, 2011).

Stations division — exceeding the Condition's requirement by nearly 100%. A recent report issued by the Commission noted that NBCUniversal's expansion is one of the only "two exceptions to the general trend" of declining investment in local news networks.³¹

The expansion was accomplished primarily by expanding local newscasts on the stations; primary channels and rolling out NBC Nonstop channels to more markets. The nearly 2,000 hours of new news programming breaks down as follows: more than 1,200 hours will be aired on the primary channel of the stations that compose the NBC Owned Television Stations division, while the remaining hours are being aired on the NBC Nonstop channels.

The launch schedule for the new programming by the NBC Owned Television Stations division included:

- May 2011: NBC 6 Miami extended its evening news coverage with a new hour-long weekday newscast at 5:00 PM; NBC 5 Dallas-Fort Worth added a half-hour of local weather coverage weekdays at 4:30 AM
- August 2011: NBC 4 New York launched a new hour-long 5:00 PM newscast.
- September 2011: Rolled out new 30-minute mid-day newscasts on NBC 4 Los Angeles, NBC 5 Chicago, NBC 10 Philadelphia, NBC 5 Dallas-Fort Worth, NBC Bay Area, and NBC 7 San Diego; Began a 30-minute newscast at 4:30 AM at NBC 10 Philadelphia.
- October 2011: NBC 6 Miami added two hours of weekend news.
- January 2012: NBC Connecticut added 90 minutes of weekend news.

In May 2011, the NBC Owned Television Stations division also rolled out new Nonstop channels in five additional markets: Dallas-Fort Worth, Miami, and its three California stations in Los Angeles, the San Francisco Bay Area, and San Diego. 32 Nonstop channels are round-the-clock channels that air on nine of the 10 stations' digital multicast channels and are also carried by local cable systems. In 2011, most Nonstop channels featured a nightly local newscast, which aired five nights a week and was designed to complement and expand the evening coverage already provided by the news team at each station. In the case of California's Nonstop Channel — which combines the resources of the three local stations NBC 4 Los Angeles, NBC Bay Area, and NBC 7 San Diego — each local station produced and aired its own newscast in its respective market.

See S. Waldman, et al., FCC, The Information Needs of Communities: The Changing Media Landscape in the Broadband Age, at 108-09 (Jul. 2011).

See Press Release: NBC Owned-And-Operated Stations To Expand New, Locally-Produced News, Information and Public Affairs Programming, http://www.nbcuni.com/corporate/newsroom/nbc-owned-and-operated-stations-to-expand-new-locally-produced-news-information-and-public-affairs-programming (May 12, 2011).

b. Telemundo Station Group

Requirement that at least six of the stations that compose the Telemundo Station Group division collectively produce an additional 1,000 hours per year of original, local news and information programming: During the Reporting Period, the Company scheduled and began producing and airing what will amount to more than 1,200 hours of additional local news programming per year at the Telemundo Station Group stations — exceeding the Condition's requirement by more than 20%. ³³

The launch schedule for the new programming was executed as follows:

- June 2011: *Buenos Días Los Angeles* was re-launched on Telemundo Los Angeles at 6:00 AM. The new hour-long program, which airs Monday through Friday, offers the latest local, national, and world news, as well as weather and traffic reports, and features special segments tailored to the specific interests of Southern California's Hispanic viewers.
- October 2011: Telemundo Denver launched a pair of weekday, half-hour newscasts at 5:00 PM and 10:00 PM.
- November 2011: Telemundo launched a monthly Sunday public affairs show in the style of *Meet the Press* in New York, Miami, Chicago, Dallas, Phoenix, and the Bay Area. This programming helps viewers understand the key role played by Hispanics in the U.S. It also stresses the importance of participation in the political process as the 2012 election approaches.
- January 2012: Telemundo Houston launched *Buenos Días Houston*, featuring a format modeled on *Buenos Días Los Angeles* and *Buenos Días Miami*, including local, national and world news; weather and traffic reports; and special segments tailored to the unique interests of Houston's Hispanics community.
- January 2012: Launched a half-hour weekly local public affairs program in Telemundo Los Angeles and an hour-long local public affairs program in Telemundo Puerto Rico.
- January 2012: Half-hour local weekend newscasts launched at 6:00 PM and 11:00 PM on Telemundo New York, as well at 5:00 PM and 10:00 PM on Telemundo Dallas. Telemundo Puerto Rico launched a daily mid-day news program at 11:00 AM.

See Press Release: Telemundo Station Group Announces 25% Increase in Local News and Public Affairs Programming at Owned TV Stations, http://telemundomediakit.com/2011/08/08/telemundo-station-group-announces-25-increase-in-local-news-and-public-affairs-programming-at-owned-tv-stations/ (Aug. 8, 2011).

4. News and Information Programming Reports

Requirement to file quarterly reports regarding the news and information programming aired on the stations that compose the NBC Owned Television Stations and the Telemundo Station Group divisions: Together with the independent programming reports described in Part Two: Compliance with Specific Conditions, Section X.5, the Company has filed four quarterly reports with the Commission containing information on the news and information programming aired by the stations that compose the NBC Owned Television Stations and the Telemundo Station Group divisions. The reports were filed on the following dates: May 11, 2011 (first quarter); July 11, 2011 (second quarter); October 17, 2011 (third quarter); and January 16, 2012 (fourth quarter). The reports were posted and remain available at www.comcast.com/newsprogramming and each reporting station or network maintains a link on its website to the report landing page on Comcast.com. While the Condition establishes no target, it is noteworthy that, as detailed in the reports, the stations that compose the NBC Owned Television Stations and the Telemundo Station Group divisions collectively aired approximately 26,704 hours and 16 minutes of news and information programming during the Reporting Period, an average of 6,676 hours per quarter.

5. Non-Profit News Partners

Requirement that half of the 10 stations that compose the NBC Owned Television Stations division establish cooperative arrangements with locally focused non-profit news organizations: Attached as Appendices A and B and incorporated by reference are the reports filed on July 28, 2011 and January 30, 2012 pursuant to and reporting compliance with this Condition. Those reports describe NBCUniversal's request for proposals from non-profit news organizations; the criteria used to evaluate each proposal; and the selection of the non-profit news organizations, as required under this Condition. As the January 2012 filing describes, the selected non-profit news organizations and the stations with which they have partnered are: (1) Pro Publica and NBC 4 New York; (2) The Chicago Reporter and NBC 5 Chicago; (3) WHYY and NBC 10 Philadelphia; and (4) KPCC Southern California Public Radio and NBC 4 Los Angeles. These partnerships join the existing arrangement between NBC 7 San Diego and the VoiceofSanDiego.org to bring the total of such partnerships to five. As required by Condition XI.5.f, copies of both reports were posted and remain available for public viewing on the homepage of each of the 10 stations that compose the NBC Owned Television Stations division.

6. More VOD Choices at No Additional Cost

Obligation to continue providing at least 15,000 VOD choices at no additional charge to Comcast customers: Throughout the Reporting Period, the total number of VOD choices

See Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Comcast Corporation to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 (Jul. 28, 2011) and Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Comcast Corporation to Marlene H. Dortch, Secretary, FCC, MB Docket No. 10-56 (Jan. 30, 2012).

available at no additional charge to Comcast customers averaged 24,000 a month, an increase from the 15,000 choices available before the close of the Transaction.

7. Broadcast Content on VOD

Obligation to make available certain broadcast content at no additional charge on Comcast's VOD service: Comcast has continued to make available broadcast content on VOD to its customers at no additional charge. In fact, since the close of the Transaction, Comcast has expanded its VOD broadcast content by 120 choices and, in a major first, Comcast's VOD service became the only VOD service that offers programming from all four major broadcast networks as soon as the day after it airs.³⁵

XII. JOURNALISTIC INDEPENDENCE

Requirement that the Company continue NBCUniversal's policy of journalistic independence: The NBCUniversal News Ombudsman remains in place and has authority over the broad array of journalism-related issues that may arise. David McCormick was appointed to the role of NBC News Ombudsman in 1993 and continues to serve in that role. In addition, in 2011, his role was expanded to provide counsel on news standards to NBCUniversal's other newsgathering entities. Mr. McCormick provides an effective assurance that the policy of independence for NBCUniversal's news operations is steadfastly maintained. Mr. McCormick is also Vice President of Standards at NBC News, and as such is responsible for maintaining and updating the network's standards manual for broadcast news, conducting seminars about journalistic standards, and handling complaints before and after the airing of news programming. In January 2012, Mr. McCormick announced the hiring of Kevin Keeshan as Ombudsman for NBC News assigned to the NBC Owned Television Stations division. Mr. Keeshan is charged with ensuring that the high standards for news gathering and reporting set by NBC News are applied consistently across all 10 stations that compose the NBC Owned Television Stations division.

Comcast explained this Condition during the initial training sessions described in *Part One: Compliance Overview*. To further ensure NBCUniversal's independence on news-related matters, Comcast adopted and promulgated a policy of news independence for the news programming organizations of all NBCUniversal networks and stations. That policy provides in relevant part:

NBC News Policy requires that the NBCUniversal news organizations treat Comcast, our various divisions, subsidiaries, products and services in the same manner as any other company, product or service. Consistent with this policy, neither Comcast nor any of our joint venture partners will receive, should expect to receive, or should seek to receive different or special treatment of any kind. Comcast employees should not ask any

See Press Release: Comcast First to Offer Current Top-Rated TV Series from All Four Major Broadcast Networks On Demand, http://www.comcast.com/About/PressRelease/PressReleaseDetail.ashx?PRID=1074 (Apr. 27, 2011).

NBCUniversal news organization to investigate, develop, broadcast or report stories about Comcast, our products or services or any other subject whatsoever.

A copy of this policy was distributed by e-mail to Comcast and NBCUniversal business leaders for further distribution to appropriate employees, posted on Comcast's intranet site on August 16, 2011, and added to Comcast's policy database for reference by all employees.

XIII. CHILDREN'S PROGRAMMING

1. Additional Children's VOD and E/I Programming

- a-b. Requirement to add an additional 500 VOD programming choices appealing to children and families to Comcast's central VOD storage facilities by year-one and an additional 1,000 choices by year-three: During the Reporting Period, Comcast increased children's VOD programming by approximately 1,000 choices, exceeding the year-one commitment by 500 choices, or 100%. Total children's VOD programming choices now average 3,000 per month and include the following new offerings: CBeebies On Demand (~100 choices a month); LEGO TV (~10 choices a month); family movie reviews and tips (~64 choices per month); and additional kids stunted programming (800 choices in 2011). In addition, Comcast has provided its authenticated subscribers with access to most of these additional VOD programs through XfinityTV.com to the extent it had the rights to do so. Because Comcast exceeded the Condition's year-one target by approximately 500 choices, Comcast is already well on its way to achieving the separate year-three target of adding another 1,000 additional choices of children's VOD programming.
- c. *Obligation to provide one additional hour per week of children's "core" E/I programming*: Beginning October 28, 2011 (*i.e.*, within nine months after the close of the Transaction, as the Condition requires), all 10 stations that compose the NBC Owned Television Stations division began airing an additional (fourth) hour of children's E/I programming every week on their multicast channels. As the Condition requires, the multicast channels used by all 10 stations are distributed to more than 50% of the television households within each station's DMA. Specifically, the stations that compose the NBC Owned Television Stations division began airing *Bo on the Go* and *Poppets Town* on Saturday mornings on the digital multicast channels. On that same date, the Telemundo Station Group also began airing an additional hour of E/I programming every week on each station's primary channel. The additional programming consisted of *La Casa de Wimzie* (*Wimzie's House*), an award-wining, hour-long program for preschoolers, which aired on Saturdays and Sundays at 9:30 AM on all 15 stations that compose the Telemundo Station Group division, as well as on Telemundo's 14 affiliates.

2. Ratings Icons and Parental Controls

a. <u>Improved Ratings Icons</u>

Requirement that the Company provide clear and understandable on-screen TV ratings information for all original entertainment programming on its broadcast and cable networks in

compliance with the cable industry's best-practice standards: By April 28, 2011 (i.e., within 90 days after the close of the Transaction, as the Condition requires), the NBC Network launched improved TV ratings icons that are 50% larger than the previous icons (see Table 1 below) and use high contrast background-to-foreground color combinations.

Table 1

Beginning of	of Program	After Commercial Breaks		
High Definition Standard Definition		High Definition	Standard Definition	
362 x 293 pixels	136 x 106 pixels	287 x 189 pixels	108 x 84 pixels	

In addition, all ratings icons, including the post-commercial break events, are displayed on screen for 15 seconds. By that same date, all NBCUniversal networks had, consistent with the cable industry's best practices, deployed the improved television ratings icons. The Retained Networks likewise have added the ratings icons in the same manner.³⁶

b. <u>Improved Parental Controls</u>

Requirement that the Company provide improved parental controls for Comcast program guides and STB applications: Comcast's legacy STBs already feature a best-in-class suite of parental controls, including a single "Parental Controls" home page in the interactive programming guide ("IPG") that puts all options in one location. These parental controls enable blocking of television programming both by content (language, violence, etc.) and by rating. For example, subscribers can hide the titles of Adult, or Adult and TV-MA, rated programming so that the program names and descriptions do not appear in the program listings.

During 2011, Comcast deployed IPG upgrades to further enhance the functionality of its parental controls. These upgrades enhanced third-party application support and improved performance of the existing IPGs. The upgraded controls were rolled out to 100% of Comcast's markets that utilize Motorola STBs before the end of 2011. By the end of 2011, Comcast had deployed upgrades to parental control features to 98% of its markets that utilize Cisco STBs, with the remaining 2% completed in February 2012.³⁷

c. Parental Dashboard

Obligation to provide a parental dashboard that places all parental controls in one place, and white listing capabilities on tru2way boxes, by the end of 2013: The parental dashboard deadline occurs in 2013 and will be included in that year's report.

It is not clear that the Condition was intended to apply to these networks, which are not nationally distributed and air a high percentage of programming exempt from ratings icon requirements.

Upgrades to two percent of the Motorola boxes were delayed by a known software defect identified by the manufacturer and since remediated.

d. Blocking Capabilities of IP-based STBs

Obligations to provide parental controls and blocking capabilities for IP-based STBs: This Condition is triggered by Comcast's launch of IP-based STBs, which has not yet occurred. Comcast will comply with this Condition when it launches IP-based STBs.

e. Online Ratings Icons

Obligation to include program ratings information in the Company's produced or licensed programming that the NBC networks provide to nbc.com, to other NBCUniversal websites, and to Hulu.com: By October 28, 2011 (i.e., within nine months after the close of the Transaction, as the Condition requires), all of the programming provided by the "NBC networks" to NBCUniversal websites included online program ratings information. The relevant websites are listed in Table 2 (below):

Table 2

NBC.com	NBC.com Bravo.com		Syfy.com
USAnetwork.com CNBC.com		NBCsports.com	Telemundo.com
mun2.tv	Eonline.com	ExerciseTV.com	G4tv.com
MyStyle.com	SproutOnline.com	Hulu.com	XfinityTV.com

3. Partnership with Common Sense Media ("CSM")

Requirement to expand the Company's partnership with organizations offering enhanced information to help guide family viewing decisions: In 2011, the Company continued to foster its partnership with CSM as part of its efforts to provide parents with information to help them make educated viewing decisions for their families. Initiatives undertaken by Comcast include:

- Offering an expanded library of CSM content, including thousands of review videos, tip videos, ratings, and recommendations that are integrated with Comcast's VOD service. For example, in June 2011, Comcast launched a new editorial area for kids' content called "Kids Picks," which resides in the Comcast VOD "Kids" folder. CSM has permanent placement inside the "Kids Picks" folder, which means that there will always be CSM content among the monthly editorial selection of children-appropriate VOD choices. In addition, the age-based folders within this VOD section were created with input from and consultation with CSM.
- Millions of dollars of public service announcements ("PSAs") have been provided to promote CSM's digital literacy project.
- Achieving hundreds of millions of impressions for CSM-sourced videos on Comcast's VOD and online (XfinityTV.com) platforms.
- Promoting CSM online content through banner ads, "featured links," and

embedded videos in relevant news articles on XfinityTV.com. For example, CSM's online PSAs on digital literacy achieved tens of millions of banner ad impressions on XfinityTV.com.

 Supporting CSM campaign priorities. For example, the "Kids Picks" section highlighted CSM content concerning Internet Safety Month in June 2011, and National Bullying Prevention Month content in October 2011. On the online front, XfinityTV.com supported CSM campaigns on cyberbullying, back-toschool, and National Cybersecurity Awareness Month.³⁸

Separately, NBCUniversal provides CSM substantial resources through license fees, donated time, online promotions, and production assistance for PSAs to support digital literacy and media education programs. NBCUniversal and CSM also have created a working relationship in which CSM experts are available to participate in on-air and online parenting advice discussions on topics such as online safety for kids, cyber-bullying, and movie and television content with respect to kids, among others. For example, on October 5, 2011, CSM parenting editor Caroline Knorr was a featured guest on NBC's *TODAY* show to talk about the influence that television shows are having on the behavior of girls.³⁹ NBCUniversal online properties such as iVillage.com also reference CSM materials for parenting advice.⁴⁰

4-5. Interactive Advertising

Restrictions on the use of "Interactive Advertising" in programming produced primarily for children: The Company implemented internal controls to ensure compliance with this Condition. In its role as an MVPD and insofar as it exerts control over advertising insertion or acceptance pursuant to affiliation agreements, Comcast issued policies and guidance to all relevant business units prohibiting the insertion of interactive advertisements into networks comprised of programming originally produced and transmitted primarily for an audience of children 12 years old or younger. Comcast went a step further and had Spotlight, its advertising sales division, disable interactive advertisement splicing for all such children's networks at the splicer (insertion point) for all zones and all markets. Disabling this feature prevents interactive elements of an advertisement from rendering on screen.

For its part, NBCUniversal issued policies and guidance to all stations and programming networks prohibiting the insertion of interactive advertising on broadcast programming and feeds delivered to MVPD linear channels in programs produced and transmitted primarily for an

See Bay Windows.com: Comcast Joins Fight Against Bullying, http://www.baywindows.com/index.php?ch=arts&sc=television&sc2=news&sc3=&id=125558 (Oct. 9, 2011).

See, e.g., R. Hines, Are TV shows making girls mean? The Clicker on TODAY.com http://theclicker.today.msnbc.msn.com/_news/2011/10/05/8166200-are-tv-shows-making-girls-mean (quoting responses by Caroline Knorr, the parenting editor for CSM, during an appearance on NBC's TODAY earlier that day) (Oct. 5, 2011).

See, e.g., http://www.ivillage.com/content-timing-tv-can-take-toll-kids-sleep/4-a-360751 (referring parents to CSM's website for more information on ratings and advice on children's media) (Jun. 27, 2011).

audience of children 12 years old or younger. The NBC Owned Television Stations division also sent a letter to more than 20,000 advertisers, representatives, and advertising agencies that stated:

[The] Station does not accept interactive advertising in programs originally produced and transmitted primarily for an audience of children 12 years of age and younger. For purposes of this limitation, interactive advertising is any marketing for commercial purposes on the Station that requires or requests consumer interaction.

The NBC Owned Television Stations division also includes this language in the contracts used for local and national advertising sales.

6. PSAs

Requirement that the Company, for five years, provide \$15 million worth of PSAs per year for five years on various public interest topics: From January 28, 2011 through December 31, 2011, the Company aired PSAs with a value of over \$17 million on the four topics designated by this Condition: (1) digital literacy, (2) parental controls, (3) Food and Drug Administration ("FDA") Nutritional Guidelines, and (4) childhood obesity. This investment exceeds the value established in the Condition by over \$2 million.

As required, PSAs on childhood obesity aired at least once during each hour of NBC's "core" E/I programming, plus an average of two times a day on PBS KIDS Sprout. Telemundo also aired Spanish-language childhood obesity PSAs during its children's block throughout the year.

PSAs on digital literacy, parental controls, and FDA nutritional guidelines aired on networks or programming that have a higher concentration than the median cable network of adults 25-54 with children under 18 in the household. Qualifying networks were identified using viewership information obtained through The Nielsen Co. and are reviewed on a quarterly basis for changes. In the fourth quarter of 2011, the universe of cable networks on which Comcast inserts advertisements based on Nielsen median VPVH (viewers-per-viewing-household) figures from the previous quarter included the 34 networks listed in Table 3 (below):

Table 3

ABC Family	Discovery	Galavision	NFL Network	Travel
A&E	DIY	Great American	Oxygen	truTV
BBC America	E!	History	Spike	TV1
BET	ESPN	Lifetime	Style	VH1
Biography	Food	Lifetime Movie	SyFy	Versus
Bravo	Fuse	mun2	TBS	We TV
CMT	FX	National Geographic	TLC	

In addition, Comcast and Style partnered with the Ad Council to produce two new PSAs on the subject of the FDA Nutritional Guidelines, which started airing in November 2011 on the Style Network.

XIV. PEG CONDITIONS

1. No Migration to Digital Delivery

Prohibition on migrating PEG (Public, Educational and Governmental) channels to digital delivery on any Comcast cable system until the system has converted to all-digital distribution: During the Reporting Period, Comcast did not migrate any PEG channels to digital delivery on any system that has not converted to all-digital distribution. Plans for conversion to all-digital delivery are progressing, with the goal of reaching 50% of Comcast's footprint by the end of 2012. PEG channels will convert to digital only if and as the relevant system converts.

2. PEG Carriage on Digital Starter

Requirement that Comcast carry all PEG channels on its digital starter (D0) tier: During the Reporting Period, Comcast maintained carriage of all PEG channels on its digital starter (D0) tier or on an equivalent tier that reaches 85% of subscribers on the applicable Comcast system.

3. Quality of PEG Delivery

Prohibition on changing the method of delivery of PEG channels that results in a material degradation of signal quality or impairment of viewer reception: During the Reporting Period, Comcast did not implement any changes in the method of delivery of PEG channels that resulted in a material degradation of signal quality or impairment of viewer reception.

4. PEG on VOD and Online

Obligation to develop a platform to host PEG content on VOD and online: Attached as Appendices C and D and incorporated by reference are the July 28, 2011 and January 30, 2012 reports filed pursuant to and reporting on compliance with this Condition. Those reports describe the successful planning and launch of the pilot program to host PEG content selected by the communities for placement on VOD and on newly-created online platforms, as required by this Condition. As required by Condition XIV.4.c.vii, copies of those reports were posted and remain available for public viewing at www.comcast.com/peg.

XV. NCE and LOCAL NCE

Requirements with respect to Comcast's carriage of Qualified Noncommercial Educational ("NCE") Stations and Qualified Local Noncommercial Educational ("Local NCE") Stations: No NCE or Local NCE stations carried on Comcast cable systems relinquished their broadcast spectrum during the Reporting Period.

See letters filed with the Commission, supra n. 34.

XVI. BROADBAND DEPLOYMENT AND ADOPTION

1. Broadband Footprint Expansion

a. 1,500-mile Expansion

Requirement that Comcast expand its broadband network by at least 1,500 miles per year for three years and extend its broadband plant to approximately 400,000 additional homes: In 2011, Comcast expanded its existing broadband network by 2,044 miles, surpassing the year-one target by 544 miles. In addition, Comcast extended its broadband plant to 199,876 additional homes, satisfying almost 50% of the year-three commitment in the first year.

b. <u>Internet Service Upgrades to Rural Communities</u>

Requirement to upgrade Internet service to at least six additional rural communities in 2011: In 2011, Comcast upgraded its infrastructure to provide broadband Internet service to 33 rural communities listed in Table 4 (below). The total number of upgraded communities exceeds the commitment by 27.

Table 4

California	Florida	Michigan	New Mexico	Pennsylvania	Virginia
Sonora (city)	Marianna	Hometown	Taos	Summit Station	Ruther Glen
Toulumme City	Greenwood		El Prado	Bor. of Auburn	Woodford
Mi-Wuk Village	Malone		Talpa	Bor. Deer Lake	Beaverdam
	Sneads		Llano	Twp. of Wayne	Triangle
	Cottondale		Canon	South Manheim	
	Grand Ridge		Rancho de Taos	West Brunswick	
	Bascom		Deming	East Brunswick	
	Alford		Gallup		
	Everglades City		Gamerco		

All of these rural communities now have infrastructure that can provide access to all Xfinity Internet speed tiers in addition to video service.

c. Additional Courtesy Accounts

Requirement to provide an additional 600 Comcast courtesy video and BIAS account locations over three years at a rate of 200 additional locations per year: In 2011, Comcast provided an additional 211 courtesy video and BIAS accounts to schools, libraries, and other community institutions in underserved areas in which broadband penetration is low and there is a high concentration of low income residents.

2. Broadband Adoption — Comcast Broadband Opportunity Program

Requirement to launch the Comcast Broadband Opportunity Program: Attached as Appendix E and incorporated herein is the report Comcast released on January 31, 2012 that reviews the performance of Comcast's broadband adoption program, Internet Essentials, since the program was launched in the summer of 2011. The report details the steps Comcast has taken to comply with and significantly exceed its commitment and the Condition's requirements.

Among the highlights, Comcast announced that, as of December 21, 2011, Internet Essentials had already connected over 41,000 families (an estimated 160,000 low income Americans) to the power of the Internet in their homes, many for the very first time. The report also announced six key enhancements to Internet Essentials, including the expansion of the eligibility criteria to include not only families with at least one child who is eligible to receive free school lunches under the National School Lunch Program (the "NSLP"), but also families with at least one child eligible to receive reduced price school lunches under the NSLP. This expansion, which will be effectuated during the second quarter of 2012, will add an estimated 300,000 additional households in the Comcast service area eligible to participate in Internet Essentials, moving well beyond Comcast's commitment to the Commission and increasing the number of eligible households. Comcast also has implemented and will implement modifications to the application process designed to make it easier for eligible families to gain access to Internet Essentials. Comcast will also double the speed of the broadband connection provided with Internet Essentials to up to 3 Mbps downstream and up to 768 Kbps upstream, helping to make the service even more attractive. The Chairman of the Commission praised these enhancements as "strengthen[ing] [Comcast's] commitment to broadband adoption. ..."42

XVII. GENERAL

Prohibition on the Company entering into any agreement or arrangement or taking any other action that has the purpose or effect of impairing the effectiveness of these Conditions: As stated in Part One: Compliance Overview, the Company instituted a transaction compliance review process in its contract approval processes, including programming-related agreements. This additional layer of review was designed to ensure that no business unit entered into any agreement or arrangement or took any other action that has the purpose or effect of impairing the effectiveness of the Conditions.

XVIII. VIOLATIONS

Provision stating that any violation of the Conditions shall be a violation of the Transaction Order: This section is informational only.

See Statement from FCC Chairman Julius Genachowski on Comcast's Strengthened Commitment to Broadband Adoption (Feb. 1, 2012).

XIX. REPORTING REQUIREMENTS

Requirement that the Company report to the Commission annually regarding compliance with these Conditions and post each such report on its website: The filing of this annual report satisfies this Condition for the first year. A copy of this report is available as of today at www.comcast.com/FCC-Annual-Report.

XX. TERM

Provision setting general seven-year term for the Conditions: This section is informational only.

PART THREE: OVERVIEW OF PROGRESS ON VOLUNTARY DIVERSITY COMMITMENTS

Comcast and NBCUniversal have long shared a commitment to diversity, and, in coming together, the Company has committed to lead the way in achieving a more diverse, inclusive, and broad-based communications and entertainment industry, both on and off camera. The Company practices and believes in diversity, not just as a social value, but also as a business philosophy. This is reflected in Comcast's core Touchstones (we will respect and reflect the customers, communities, and cultures we serve) and in NBCUniversal's Credo (we believe that the talent, creativity, and diversity of our people are our greatest resources), as well as at the highest levels of the Company and in the day-to-day conduct of the Company's business activities.

The Company embraces a broad definition of diversity, to ensure inclusion that accounts for race, gender, culture, color, religion, sexual orientation, age, disability, and veteran status. It also embraces a business culture that respects and is open to different thoughts, choices, philosophies, and experiences. The Company believes that it cannot be a leader in the marketplace and speak to its customers' needs unless it reflects the full range of the communities it serves. That means ensuring not only that programming and external facing services account for diversity, but also that the Company embodies a diverse and inclusive workplace, which generates creative thinking and ultimately delivers the best results to the Company's customers and shareholders.

With a goal of developing the most successful model of diversity and inclusion in the communications and entertainment industry, Comcast and NBCUniversal assessed and expanded their diversity strategy in anticipation of the Transaction, and then voluntarily entered into three Memoranda of Understanding ("MOUs") with various diverse leadership organizations to enhance diversity in the Company. These voluntary diversity commitments span five key "Focus Areas": (1) governance; (2) workforce recruitment and career development; (3) procurement; (4) programming; and (5) community investment and partnerships. The Company has adopted strategic approaches and detailed implementation plans for each Focus Area, with the goal of making strides toward significant corporate diversity achievements across each area. Further, with respect to certain voluntary diversity initiatives, the Company set aggressive target implementation dates. Demonstrated improvement in other areas will be the result of longer term, consistent efforts following (and in some cases expanding upon) the plans adopted by the Company.

Although not required as part of this Annual Report, the Company wants to take this opportunity to highlight progress on select diversity-related initiatives during the Reporting Period. As this overview demonstrates, the Company already has made significant progress in each Focus Area. While encouraged by our progress to date, the Company also recognizes that this is just the beginning of a long-term and holistic approach to achieving the goal of becoming a premier leader in corporate America on diversity and inclusion.

A. Governance

The Company's most senior leadership is committed to ensure that its diversity initiatives receive top-level oversight, constant and timely feedback from stakeholders, and broad organizational support. David L. Cohen, Comcast Corporation's Executive Vice President, is the executive ultimately responsible for all of the Company's diversity and inclusion initiatives.

1. Joint Diversity Advisory Council

In pursuing its diversity vision, the Company recognizes the importance of seeking the advice of respected diversity leaders in the business and civic communities. Shortly after the close of the Transaction, the Company formed an external Joint Diversity Advisory Council (the "Joint Council") to advise the Company's senior executive team regarding the development and implementation of the Company's diversity initiatives. The Joint Council is an innovative advisory body that brings together recognized and respected individuals from business, entertainment, and community leadership. It consists of four, nine-member Diversity Advisory Councils representing the interests of African Americans, Asian Americans, Hispanics, and Women, respectively. The Joint Council also has At-Large Members representing Native Americans, people with disabilities, veterans, and the lesbian/gay/bisexual/transgender ("LGBT") community.

The Company and the Joint Council have been actively engaged throughout the past year. There were two formal meetings of the Joint Council, in May and October of 2011, and the Joint Council again will meet formally two times in 2012 (in April and November). Brian L. Roberts, Comcast's Chairman and Chief Executive Officer, attends one formal Joint Council meeting each year, during which he holds individual meetings with each Diversity Advisory Council and the At-Large Members. Between formal meetings, members of the Joint Council and the Company's Internal Diversity Councils and Diversity and Inclusion Departments (described below) interact on a regular basis, including regular conference calls with the Joint Council's Executive Committee and the Company's diversity and inclusion leadership team. In addition, the Company's executives periodically met with and held conference calls with each Diversity Advisory Council and the At-Large Members. This ongoing dialogue helps to ensure that the Company's plans and actions are informed, meaningful, and achievable.

2. Board of Directors

Comcast's Board of Directors is now more than one-third diverse. Among the 11-member Board, three are people of color and one woman. The two most recent appointees, both of whom joined the Board after the Transaction closed, are people of color. In May 2011, Comcast's shareholders elected Eduardo Mestre to the Board of Directors. Mr. Mestre was the Chairman of the Global Advisory business of Evercore Partners, a leading New York investment banking and advisory firm, and the first Hispanic to serve on Comcast's Board. In September 2011, the Board elected Johnathan Rodgers, former President and CEO of TV One, as Comcast's newest director. Comcast continues to develop its pipeline for future Board members, and diversity is among the key criteria considered, along with professional knowledge, business,

financial, and management expertise, industry knowledge, and entrepreneurial background and experience.

3. Internal Diversity Councils

In 2011, Comcast and NBCUniversal each re-established its respective Internal Diversity Council, made up of senior executives who represent various departments within each business. These leaders spearhead the implementation and promotion of diversity throughout the Company. They meet regularly to oversee the Company's initiatives and progress, including one meeting each year at which members of NBCUniversal's Internal Diversity Council join the Comcast meeting. Members of both Internal Diversity Councils also serve as liaisons to the Joint Council.

4. Corporate Diversity and Inclusion Groups

In April 2011, Comcast created a Diversity and Inclusion Department at the corporate level and appointed Maria G. Arias to the newly-created position of Executive Director, Diversity and Inclusion. In this role, Ms. Arias directs, manages, and organizes Comcast's diversity program strategy with a focus on recruitment and career development, suppliers, programming, and community investment. She works closely with Comcast's Internal Diversity Council and the Joint Council.

In August 2011, NBCUniversal named Craig Robinson replaced Paula Madison as Executive Vice President and Chief Diversity Officer, overseeing the Corporate Office of Diversity at NBCUniversal. In this role, Mr. Robinson oversees the organization's diversity initiatives and works closely with senior executives to promote these efforts throughout the organization, including the NBCUniversal Internal Diversity Council. Mr. Robinson also works with the Joint Council and serves as a liaison to the Native American representatives.

The Company's two corporate Diversity and Inclusion Groups meet and confer on a regular basis to coordinate work on diversity strategy, review progress, share best practices, align policies, and transform diversity goals into executable strategies.

B. Workforce Recruitment and Career Development

The Company intends to be an industry leader in the arena of workforce diversity. It has committed to recruit and retain more diverse employees, with the objective of shaping the Company's workforce to be more reflective of the communities it serves. In particular, the Company has committed to increase diverse representation in its leadership ranks, including at the Vice President level and above. The Company also is committed to building and leveraging its development and training programs to develop leadership talent among diverse individuals and enhance opportunities for further advancement within the organization.

1. Diversity Planning and Execution

In 2011, Comcast formed a new Employee Engagement Diversity Team with the goal of identifying, developing, and promoting diverse candidates at all levels of employment, with an emphasis on women and people of color at the Director and Vice-President level and above. The team is led by Ron Phillips, Senior Vice President of Employee Engagement, Comcast Cable. In partnership with the Talent Management team, Comcast's new Employee Engagement Diversity Team is developing and implementing a multi-year strategy to increase workforce diversity.

For its part, NBCUniversal created the new position of Senior Vice President and Chief Talent Officer, held by Cara Stein, to oversee the implementation of workforce diversity initiatives, recruiting, pipeline programs, and executive training.

2. Attracting, Developing, and Promoting Diverse Talent

Since the close of the Transaction, the Company has required diverse slates for all hires at the Vice President-level and above. In addition, the Company has added recruiting firms to its rosters that have a track record of recruiting diverse talent, including African American, Asian American, Hispanic, and Women owned businesses.

In 2011, the Company launched and/or expanded several leadership development programs that provide opportunities for diverse talent, including:

- Comcast's Executive Leadership Career Advancement Program ("ELCAP").
- Comcast's Executive Leadership Forum ("ELF") now also offered to NBCUniversal employees.
- Comcast's Career Opportunities and Rotational Experiences ("CORE") Program.
- NBCUniversal's News Associates Program.
- NBCUniversal's Casting Apprentice Program.
- NBC Owned Television Stations' Reporter Training Program.
- CNBC's Leadership Development Program.
- NBCUniversal's News Summer Fellowship Program.

3. Affinity Groups

Drawing on NBCUniversal's successful history with Affinity Groups, Comcast launched eight pilot Affinity Groups in late 2011 for the following communities: African Americans, Asian Americans, Hispanics, LGBT, people with disabilities, veterans, women, and young professionals. Each group has three executive sponsors and a peer/mentor leader. In addition, NBCUniversal continues to support its successful Affinity Groups and, in February 2012, announced the creation of its newest Affinity Group, The NBCUniversal PWD (People with Disabilities) Network.

The Company's Affinity Groups are intended not only to provide a collaborative environment for members of diverse groups and those who support them, but also to harness the talent of members to drive the Company's business goals — for example, by providing insights on new markets, product development, and enhancing the Company's brand in the marketplace.

4. Accountability

To reinforce the commitment to and achievement of workplace diversity goals, business leaders at the highest levels of the Company are involved directly in the planning and execution of diversity initiatives and are held accountable in a variety of ways. Of particular note, both Comcast and NBCUniversal have made the business decision to link their respective management bonus structures to business objectives that include diversity.

C. Supplier Diversity

The Company is taking steps to enhance diversity in the procurement of goods and services and Company-wide supplier diversity activities, increasing the amount spent on diverse business partners. Consistent with its past efforts, the Company has adopted the long-term goal of increasing the percentage of business conducted with diverse vendors on a nationwide basis, to be on par with the percentage of diverse businesses in the communities it serves. Ultimately, the Company aspires to be recognized by the Billion Dollar Roundtable by spending at least \$1 billion with minority and woman suppliers on an annual basis.

1. Increasing Outreach within the Supplier Diversity Community

The Company continues to partner with minority-led chambers of commerce and other diverse business organizations throughout the country. The Company's supplier diversity partners include the National Minority Supplier Development Council, Inc. ("NMSDC"), Women's Business Enterprise National Council ("WBENC"), United States Hispanic Chamber of Commerce ("USHCC"), U.S. Pan Asian American Chamber of Commerce ("USPAACC"), National Black Chamber of Commerce ("NBCC"), National Center for American Indian Enterprise Development ("NCAIED"), National Veteran-Owned Business Association ("NaVOBA"), National Gay & Lesbian Chamber of Commerce ("NGLCC"), and The Walter Kaitz Foundation.

The Company's procurement teams consult on a regular basis regarding practices and strategies for diverse supplier development. Further, throughout the year, the Company sponsored, participated in, and attended national, regional, and local supplier diversity events, including supplier fairs, conferences, capacity-building events, business opportunity fairs, panels, and awards ceremonies in order to raise awareness among diverse suppliers.

2. Expanding Opportunities for Diverse Professional Services Firms

The Company has expanded opportunities for diversity in its purchase of professional services, including banking, advertising, legal services, technology, and real estate. For

example, for the eighth consecutive year in 2011, Comcast arranged a major credit facility with the United Bank of Philadelphia, made up of 10 minority-owned banks, and utilized three minority-owned firms to execute open market repurchases under its Board-authorized Stock Repurchase Program. In advertising, the Company fulfilled its commitment to spend an additional \$7 million on advertising with minority-owned media in 2011, and in March 2011, Comcast selected African American-owned advertising firm Burrell Communications as its agency of record for African American consumer market advertising. In technology, Comcast completed three high-level software transactions with the Asian American and women-owned firm, SHI, and NBCUniversal completed companion transactions with SHI shortly thereafter.

3. Improving Infrastructure and Expanding Second Tier Procurement

In 2011, the Company enhanced its internal tracking mechanisms to better identify minority-owned and women-owned businesses. Working with a third party vendor, Comcast finalized a centralized vendor management agreement which, in the coming year, will expand its operational resources, including tools to enhance second tier procurement, an updated vendor registration website, and a consolidated supplier-locator tool. In addition, the Company strongly encourages prime vendors to report on second-tier vendors.

D. Programming

The Company offers a wide variety of programming services to many diverse communities across the country. The Company is working diligently to expand both access to and options for diverse programming and to enhance the amount and quality of diverse national and local programming for customers across multiple platforms.

1. New Independent Networks

As mentioned in *Part Two: Compliance with Specific Conditions*,⁴³ in February 2012, Comcast announced that it has selected four of eight minority owned or operated networks that Comcast will launch over an eight-year period. The four selected networks include two that are African American majority owned and two that are majority American Hispanic owned and operated and programmed in English.

The two African American channels are:

Aspire: Spearheaded by Entrepreneur and NBA Hall of Famer Earvin "Magic" Johnson, in partnership with the Gospel Music Channel, Aspire is dedicated to delivering enlightening, entertaining, and positive programming to African Americans families, including movies, documentaries, short films, music, comedy, visual and performing arts, and faith and inspirational programs. Aspire will celebrate the successes, achievements and accomplishments of the African American community and create new opportunities for the next generation of

⁴³ See Part Two: Compliance with Specific Conditions, Section III.3.

African American visionaries. The network will launch by summer 2012.

REVOLT: Proposed by superstar and entrepreneur Sean "Diddy" Combs and MTV veteran Andy Schuon, this network is designed to feature programming inspired by music and pop culture, including music videos, live performances, music news, and interviews, and will incorporate social media interaction for music artists and fans. The network has entered into an agreement to launch by January 2013.

The two Hispanic channels are:

El Rey: Proposed by legendary Hollywood director Robert Rodriguez and FactoryMade Ventures executives John Fogelman and Cristina Patwa, this network is designed to be an action-packed, general entertainment network in English for Hispanic American and general audiences that includes a mix of reality, scripted and animated series, movies, documentaries, news, music, comedy, and sports programming. The network will include programming that strongly features, and is produced, or directed, by Hispanic celebrities and public figures. The network has entered into an agreement to launch by January 2014.

BabyFirst Americas: Proposed by Spanish language television veteran Constantino Schwarz, this network is designed for infants, very young children, and their parents, and emphasizes the importance of early development of verbal, math, and motor skills. The network has entered into an agreement to launch by April 2012.

2. Expanding Distribution of Diverse Content

African American Content. By the end of July 2011, Comcast expanded distribution of The Africa Channel in Detroit, Chicago, and the Washington, D.C. markets. By year-end, Comcast also had launched The Africa Channel in its Northern Santa Barbara County, Savannah, Charleston, and South Florida markets, growing the network's audience by more than two million homes. The Africa Channel is the first mainstream television network in the U.S. fully dedicated to showcasing the richness, diversity, and beauty of modern Africa and its people. Also, in 2011, Comcast expanded carriage of TV One on its Xfinity TV lineup, making it available to over 600,000 additional customers in the Chicago and Miami markets. TV One is a real-life and entertainment cable network targeting African American adults.

Asian American Content. In March 2011, Comcast announced a significant new carriage agreement with Mnet, the only 24/7 English-language nationwide television network in the U.S. targeting Asian Americans and fans of Asian pop culture. By the end of 2011, carriage of Mnet had been extended to over three million Comcast subscribers in the San Francisco, Chicago, Sacramento, and Boston DMAs. Distribution to one million additional subscribers in two other DMAs will be completed by the end of 2012. In addition, in 2011, Comcast launched MYX TV in Seattle and Western Washington. MYX, a channel made for and by Asian Americans, is a 24-hour music lifestyle channel that entertains with an eclectic mix, fusing mainstream hits, the biggest jams from Asia, and a healthy dose of independent music.

Hispanic Content. In 2011, Comcast extended distribution of seven Hispanic programming services by more than 14 million subscribers. Channels include Azteca America, Galavisión, HITN, LATV, nuvoTV (formerly SíTV), Telefutura, and Univision. With this accomplishment, Comcast exceeded by more than 40% its commitment to expand carriage of three Hispanic networks by 10 million subscribers. Also, Comcast fulfilled its commitment to launch a package of 40 to 60 Spanish-language channels in all major Hispanic markets, including Northern California, Houston, South Florida, Chicago, Boston, Philadelphia, Washington, D.C., Denver, Salt Lake City, and Atlanta.

3. Increasing Diverse Programming Choices on VOD and Online

Black Cinema On Demand, Cinema Asian America, and Hispanic Cinema On Demand now are available and refreshed monthly. In March 2011, Comcast announced the launch of Xfinity TV in Spanish with over 500 entertainment choices. In 2011, the Company also celebrated Asian-Pacific Heritage Month, Black History Month, Hispanic Heritage Month, and LGBT Pride Month with special programming on broadcast television, cable networks, VOD and online.

As mentioned in *Part Two: Compliance with Specific Conditions*, on January 9, 2012, Telemundo launched a new network — Exitos TV— on Telemundo's multicast spectrum, spanning the 15 stations in the Telemundo Station Group, as well as an additional 14 affiliated stations. In addition, Comcast, Telemundo, and mun2 expanded the number of programming choices available on central VOD storage facilities to more than 100 choices. Telemundo programming further is available online at XfinityTV.com's Hispanic American microsite.⁴⁴

4. Adding News, Information, and Entertainment Choices for Diverse Viewers

In addition to the various initiatives described above, the Company has undertaken initiatives intended to increase news, information, and entertainment choices for diverse viewers. In December 2011, NBC News announced the planned launch of NBCLatino.com, a website targeting U.S.-born and English-dominant Hispanics with a mix of news, politics, lifestyle, parenting, education, and other important issues. The site is available now as a beta, with a formal launch planned for April 2012.

In September 2011, with support from Comcast, NBC broadcast a one-hour primetime special covering the American Latino Media Arts Awards ("ALMA Awards") created by the National Council of La Raza ("NCLR") to celebrate the nation's most outstanding Latino performers and producers that promote accurate and positive images of Hispanics in entertainment. Mun2 produced a two-hour pre-awards special and re-broadcast the awards show at a later date. Telemundo.com hosted the official NCLR ALMA Awards site, and Telemundo News featured highlights of the event. In addition, Comcast provided substantial PSA airtime promoting the 2011 ALMA Awards.

See Part Two: Compliance with Specific Conditions, Section X.2-3.

The NBC Network also broadcast the 43rd National Association for the Advancement of Colored People ("NAACP") Image Awards on February 17, 2012. Following the broadcast, the Company promoted the awards show on VOD, online and on the XfinityTV mobile app through advertising the show as the "DVR Pick of the Day," promoting the full show on the Xfinity.com and Xfinitytv.com homepages, and offering award show content on VOD.

E. Community Investment and Partnerships

The Company maintains national programs and partnerships and works with local organizations to strengthen the communities in which it does business, while also bringing visibility to important local issues. The Company recognizes the importance of investing in minority-led and/or minority-serving organizations and the programs and services provided by such organizations. It also understands that corporate and foundation contributions are important to the communities served and are consistent with responsible business practices. With these goals in mind, the Company committed to increase its support for community-based philanthropic organizations helping underserved and diverse communities.

1. Increased Funding for Minority-Led and Minority-Serving Organizations

The Company is pleased to report that, in 2011, it exceeded its commitment to increase aggregate cash contributions to minority-led and minority-serving organizations by more than 10% over its 2010 spend.

In furtherance of this goal, the Company took a proactive approach to identifying potential community investment partners, including local affiliates of its national partners and other diverse organizations in the Company's footprint. Throughout the year, the Company provided philanthropic support to a wide range of diverse charitable partnerships and domestic nonprofits. Examples include the Asian Pacific Institute for Congressional Studies, League of United Latin American Citizens ("LULAC"), NCLR, National Urban League ("NUL"), Organization of Chinese Americans ("OCA"), the Rainbow Push Coalition, and many others.

2. Internship and Scholarship Programs

In 2011, the Company increased support for internship and scholarship programs with a proven track record of working with diverse communities. For example, Comcast increased support for the Emma Bowen Foundation with PSAs promoting the organization's minority intern recruiting drive. In support of the T. Howard Foundation, Comcast made new or increased contributions supporting similar internship and scholarship programs. In 2011, NBCUniversal increased the number of Emma Bowen interns and also increased its support for the T. Howard Foundation.

Comcast's Leaders and Achievers Scholarship program recognizes high school seniors from the communities in the Comcast footprint for their commitment to community service, academics, and demonstrated leadership. Comcast increased funding to diverse recipients of

Leaders and Achievers Scholarships during the 2011-2012 school year. In 2011, Comcast also updated its Leaders and Achievers Scholarship program materials to emphasize the Company's commitment to diversity. These materials are sent each year to diverse program partners, including school principals and guidance counselors.

In 2011, Telemundo launched its Hispanic Media Futures Program in partnership with the School of Journalism & Mass Communications at Florida International University. This comprehensive two-semester internship program offers top-ranked journalism, advertising, and public relations students immersion in the Spanish-language media world.

3. PSAs

The Company provides substantial support for diverse partners through the provision of PSAs and other media placements, both locally and nationally. The Company's PSA commitment to diverse causes exceeded \$51 million in 2011. Examples include running PSAs celebrating the history and culture of Native Americans during American History Heritage Month in 2011 and significant PSA airtime promoting the Gay Lesbian Alliance Against Defamation ("GLAAD")'s Annual Media Awards.

Other Comcast PSA initiatives in 2011 included: NUL's *I Am Empowered* campaign; LULAC's digital literacy campaign; The HistoryMaker's PSAs recognizing important African Americans in U.S. history; APIA Vote's national registration program; the Vietnam Veterans Association's educational campaign regarding services available to all veterans; and the American Association of People with Disabilities' youth anti-bullying campaign. In 2011, NBCUniversal honored Hispanic Heritage Month with PSAs; *The More You Know* campaign launched a new series of PSAs; NCLR and the Congressional Hispanic Caucus Institute announced a partnership with Telemundo for *El Poder de Hacer*; and the USA Network's *Characters Unite* campaign earned a Golden Beacon Award.

4. Signature Programs

In 2011, Comcast added partner organizations and project sites serving diverse communities and beneficiaries for Comcast Cares Day, its longstanding, organization-wide day of service. Similarly, Comcast worked with One Economy to survey the diversity of its existing Digital Connectors sites, a program that identifies talented young people and immerses them in technology training to help build their leadership and workplace skills to enter the 21st century economy. The Company's goal is to ensure that all Digital Connector program sites, now spanning 43 cities in 24 states, are located in diverse communities. Moreover, in 2011, Comcast increased the number of school assignments for its Beyond School Walls program (in partnership with Big Brothers Big Sisters), adding Nashville, TN, Manchester, NH, and Seattle, WA. All 12 current Beyond School Walls school assignments are located in diverse communities.

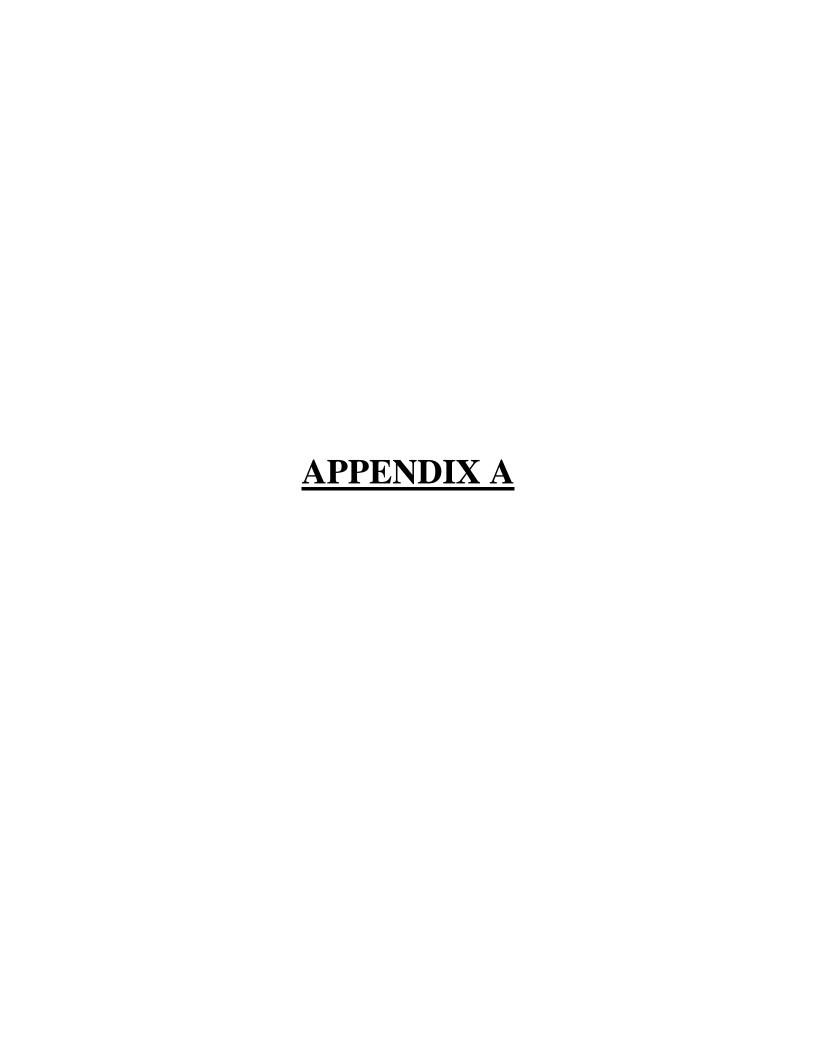
F. Comcast Opportunity Fund

The Company has undertaken additional initiatives designed to enhance the role of diverse individuals and organizations in the communications and entertainment industry, including the creation of a new \$20 million venture capital "Opportunity Fund," managed by Comcast Ventures, the Company's venture capital arm. The fund is intended to help the start-up of ventures led by diverse individuals, partnerships, or companies with innovative ideas for synergistic technologies for the Company's businesses.

As a first step, in 2011, Comcast Ventures partnered with a leading technology accelerator program, DreamIt Ventures, to fund a minority entrepreneur accelerator program ("MEAP"). Participating companies received seed funding and took advantage of DreamIt's benefits and services, including business talent, legal, and accounting services, mentoring, office space, guidance from leading business visionaries, and contacts to reach the next level of development. The fall 2011 MEAP class included five start-ups, whose founding members include men and women of African American, Asian American, or Hispanic American descent. Comcast Ventures is in discussions with DreamIt regarding participation in future programs.

G. Conclusion

The 2010 U.S. Census data tell the story of the new and changing face of America, as the nation witnesses the fastest and most dramatic transformation in nearly a century. The Company strives to represent the communities in which it does business and where its employees live and work. The work that Comcast and NBCUniversal have done, and the progress the Company has made in the year since the close of the Transaction, reflects the seriousness of the Company's commitments in this regard. With these first important steps, as well as concrete strategies and plans for the future, the Company intends to forge ahead toward its goal of becoming a model corporate leader in diversity and inclusion.





PROGRESS REPORT

NBCUniversal



This report summarizes the steps NBCUniversal has taken during the reporting period of **January 28 to July 28, 2011** to satisfy the obligation under Appendix A, Section XI.5 of the Comcast-NBCUniversal Order, which requires at least half of the 10 NBC Owned Television Stations to enter into cooperative arrangements with locally focused non-profit news organizations ("**Online News Partners**"). As required, this report covers the first six months since the closing date of the Comcast-NBCUniversal transaction. Future reports will be filed every six months hereafter during the reporting period.

BACKGROUND

The Online News Partners condition was modeled on the existing relationship between NBC owned station KNSD in San Diego, and the Voice of San Diego, an independent, non-profit online news source focused on issues impacting the San Diego region. As in that arrangement, elements of the new news partnerships NBCUniversal will form may include story development, sharing of news footage and other content resources, financial support, in-kind contributions, shared use of technical facilities and personnel, on-air opportunities, promotional assistance and cross-linking/embedding of websites.

SELECTION PROCESS

Establishment of the Advisory Council

Shortly after the closing of the Comcast-NBCUniversal transaction on January 28, 2011, NBCU established an advisory council to implement the Online News Partners program. The advisory council's membership includes:

- News directors from all 10 of the NBC Owned Television Stations;
- Senior Vice President, Operations, NBC Owned Television Stations;
- Senior Vice President, NBC News;
- Vice President, Digital Media, NBC Owned Television Stations;
- Vice President, News Standards and Policies, NBC News;

Memorandum, Opinion and Order in the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees, MB Docket No. 10-56 (Jan. 18, 2011).



- Representatives of the NBCU Law Department, including the Vice President of Regulatory Affairs; and
- Senior Media Counsel.

The advisory council has met regularly via conference call beginning on March 1, 2011. The council was tasked with drafting a request for proposals and developing an evaluation process for assessing proposals. In addition, the council's duties included designing an outreach approach to ensure broad dissemination of information about the opportunity, establishing a timeline to ensure timely implementation, and preparing outreach materials.

At the initial meeting of the advisory council on March 1, it was determined that certain members would contact "subject matter experts" – organizations, such as ProPublica, Knight Foundation, McCormick Foundation and Poynter Institute, that support journalism, for assistance in identifying potential partners. These organizations were contacted between March and May 2011 and provided useful information and ideas to guide the outreach effort. The subject matter experts also recommended organizations who they thought could fit the profile of an Online News Partner. As a result, NBCU sent e-mails to the recommended organizations requesting that they consider applying for a news partnership.

At subsequent meetings in March and April 2011, a timeline was established, the review process was finalized, an evaluation "scorecard" was developed and the application form was finalized and approved. In addition, the advisory council adopted the selection criteria for the Online News Partnerships.

Request for Proposals (RFP)

The advisory council developed an online application form (Exhibit A) for the Online News Partnerships which was included on the web page for each NBC Owned Television Station (except San Diego). The application page on the websites set forth the main criteria for online news partners, which are incorporated into the application itself:

- Robust local news gathering capabilities
- Track record of objectivity and excellence in journalism
- Strong journalistic qualifications
- Strong organizational management
- Strong financial resources capable of sustaining a multi-year relationship
- Ability to report on diverse stories and provide diverse viewpoints
- Diversity of the organization's leadership and staff and its ties to the community it serves
- Ability to work collegially in a cooperative relationship

The online application form seeks information about the following focus areas:

- General Information About the Organization a description of the applicant's involvement in local news gathering and reporting, including geographical area and topical focus.
- II. **Governance, Leadership and Structure** information on the applicant's governance, including its charter, bylaws, directors and officers. To further the goal of enhancing diversity of viewpoints and programming, the application form asks each applicant to describe the manner in which applicant's governance and leadership reflects the diversity of communities in the station's service area.
- III. Newsgathering Capabilities a description of the applicant's infrastructure for news gathering and news production, including editorial and non-editorial staff. Diversity of leadership and staff and the applicant's ability to help the NBC Owned Television Stations enhance diversity of viewpoints and programming will be a factor in the review process.
- IV. **Funding and Resources** information on the applicant's funding sources for the last three years, including donations and grants, advertising policies and standards
- V. **Journalism Practices** applicants must provide a copy of their written standards for the journalists who provide content used on their platforms.
- VI. **Audience Make-Up and Distribution of Content** applicants must also describe the composition of their organization's target audience, including average monthly page views and unique visitors and use of social media.

In addition, all applications must include a statement of interest and two letters of recommendation.

Outreach and Promotion

The council set a launch date of May 23, 2011 for the eight week broad outreach effort, with applications due on or before July 22, 2011. Outreach on the RFP consisted of:

 Airing promotional announcements on all of the NBC Owned Television Stations other than KNSD.









The screen captures pictured above are from a 15 second spot that aired on NBC Washington and featured the following voice-over:

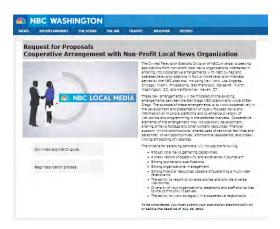
"NBC 4 is looking for a local, non-profit online news organization for a possible arrangement focused on reporting on issues of concern or interest to the diverse communities of the Greater Washington Metropolitan Area. For more information, go to nbcwashington.com/nonprofit."

As of July 22, 2011, the NBC Owned Television Stations had aired more than 1,800 promotional announcements inviting interested parties to visit the website and submit an application.

 Placing advertisements on each NBC Owned Television Station's website, generating over 3.8 million ad impressions across the sites.



• Creating a link on each station's website (other than KNSD's) to the application form and information on the application process (e.g., www.nbcwashington.com/nonprofit).







- Issuing a press release that described the project and included links to the relevant section of the stations' websites (Exhibit B).
- Communicating directly with any organizations that had proactively contacted NBCU based on press reports describing the online local news condition imposed by the Comcast-NBCUniversal order.
- Emails describing the project were sent to the heads of six diverse journalism organizations, which encouraged these organizations to make their members aware of the potential opportunity. These organizations are National Association of Black Journalists, National Association of Hispanic Journalists, Native American Journalists Association, Asian American Journalists Association, South Asian Journalists Association and National Lesbian and Gay Journalists Association.

Framework for the RFP Review

The Advisory Council agreed that each qualifying application would be reviewed in full by three people – the in-market news director, a second news leader to be randomly assigned and either a member of the law department or the Vice President of News Standards and Policies, also to be randomly assigned. For this purpose, "qualifying" means those applications that contained answers to all questions and supplied all requested documents or adequately explained the absence of such documents. The pool of applicants will be narrowed through this paper review. The number of finalists will be determined based on the total number of qualifying applicants and the spread in their scores based on the paper review. The finalists will be subject to a second review, including a site visit, discussion of business terms, follow-up questions, reference checking and background checking.

CURRENT STATUS

As of the July 22 application deadline, 32 complete and qualifying applications were received. These applications have been assigned to review teams, and the paper review is in progress. It is anticipated that both the paper review and the second-level review will be completed by the end of August and that the final selection of local online news partners will be made at that time. In the event these applications do not yield sufficient viable candidates, it may be necessary to revisit the timeline and consider other avenues for outreach.

M

EXHIBIT A

PROGRESS
REPORT

NBCUniversal

NBC New York Page 1 of 1



Request for Proposals Cooperative Arrangement with Non-Profit Local News Organization



Download application guide.

Begin application process.

The Owned Television Stations Division of NBCUniversal is seeking applications from non-profit local news organizations interested in entering into cooperative arrangements with NBC owned and operated television stations in four or more television markets served by the NBC stations, including New York, Los Angeles, Chicago, Miami, Philadelphia, San Francisco, Dallas-Ft. Worth, Washington, DC, and Hartford-New Haven, CT.

These new arrangements will be modeled on the existing arrangements between the San Diego NBC station and Voice of San Diego. The purpose of these arrangements is to work cooperatively in the development and presentation of locally focused news and information on multiple platforms and to enhance diversity of viewpoints and programming in the selected markets. Cooperative elements of the arrangement may include story development, sharing of news footage and other content resources; financial support; in-kind contributions; shared used of technical facilities and personnel; on-air opportunities; promotional assistance; and cross-linking/embedding of websites.

The criteria for selecting partners will include the following.

- · Robust local news gathering capabilities;
- · A track record of objectivity and excellence in journalism
- Strong journalistic qualifications
- · Strong organizational management
- Strong financial resources capable of sustaining a multi-year relationship
- The ability to report on diverse stories and provide diverse viewpoints,
- Diversity of your organization's leadership and staff and its ties to the community it serves.
- · The ability to work collegially in a cooperative relationship

To be considered, you must submit your application electronically on or before the deadline of July 22, 2011.



Website

Print publication

TV Station
Cable Channel
Radio
radio
Mobile
Other
Do you have content partnerships with any other media outlets or organizations?
Yes No 4a. If yes, please list and describe the relationship(s).
4a. If yes, please list and describe the relationship(s).
Optional: Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
5. Do you share links or cross-link with the websites of other organizations? Yes No 5a. If yes, please list and provide the URLs of these websites.
Optional: Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
II. Governance, Leadership and Structure
1. Please provide a copy of your organization's charter and bylaws.
Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
υριομά α αυσαπιστή (1000), 110, 110, 110, 110, 110, 110, 110
2. Please provide a list of the organization's officers and members of the organization's board of directors or board of trustees, including name and position within the organization.
1

Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
3. Is your organization affiliated formally or informally with any governmental agencies or community organizations? Yes No
Yes No 3a. If yes, please provide details below:
<u> </u>
Optional: Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
4. Please describe the extent to which your organization's governance and leadership reflect the diversity of communities in the area.
Optional: Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
III. Newsgathering Capabilities
A NAME of the other of course of the state o
What is the size of your editorial staff? Paid
Paid
Paid
Volunteer 2. What is the size of the remainder of your staff (not including editorial)?
Volunteer 2. What is the size of the remainder of your staff (not including editorial)? Paid
Volunteer 2. What is the size of the remainder of your staff (not including editorial)? Paid
2. What is the size of the remainder of your staff (not including editorial)? Paid Volunteer 3. Describe your organization's infrastructure for news gathering and news production. i. Please note if you have electronic news gathering and/or post production capabilities. ii. Please provide background on your staff's background, experience, qualifications iii. Please describe with some detail your journalistic output: spot news; investigative reporting; analysis; features; etc. iv. Any other background on your organization's local community news reporting capabilities, including any particular
2. What is the size of the remainder of your staff (not including editorial)? Paid Volunteer 3. Describe your organization's infrastructure for news gathering and news production. i. Please note if you have electronic news gathering and/or post production capabilities. ii. Please provide background on your staff's background, experience, qualifications iii. Please describe with some detail your journalistic output: spot news; investigative reporting; analysis; features; etc. iv. Any other background on your organization's local community news reporting capabilities, including any particular
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4. Diversity of backgrounds in your organization's leadership and staff will be a relevant factor in determining whether your organization can help NBC Local Media achieve the goal of enhancing diversity of viewpoints and programming. To the extent not already included in prior responses, please provide any additional information about your organization that you would like us to consider in this regard.

Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
IV. Funding and Resources1. Please identify your primary funding sources for 2008, 2009 and 2010, including all donations or grants of \$10,000 and above in any single year.
Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
2. Please provide financial statements (including audited financial statements, if available or IRS Form 990) for 2008, 2009 and 2010, including verification of your tax exempt status each year, and any philanthropic efforts or donations you have made. Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
3. Does your organization accept advertising? Yes No 4. Do you have written advertising standards?
Yes No 4a. If yes, please provide a copy. Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
V. Journalism Policies
Does your organization have written standards for the journalists who provide content used on your platforms? Yes No
1a. If yes, please provide a copy of your standards and describe how new journalists are trained. Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
Does your organization have a correction/retraction policy?
Yes No 2a. If yes, please attach a copy. Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
3. Does your organization have an ombudsperson?
Yes No 3a. If yes, please provide the ombudsperson's name and describe his/her responsibilities.

4. Does your organization take editorial policy positions or endorse candidates? Yes No 4a. If yes, what rules or policies does the organization have in place to separate the "editorial/policy" activities from journalistic news coverage? Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip) 1. Audience Make-Up and Distribution of Content 1. Describe the composition of your target audience. Be as specific as possible and include demographic, geographic and psychographic profiles.
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▼ •
Optional: Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
For your website, please provide the following audience information with sources listed: verage monthly page views for 2010:
verage monthly unique visitors for 2010:
verage monthly video views for 2010:
rimary referral sources of web traffic in 2010:
3. How do you use social media?
5. Flow do you use social media:
Optional: Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
<u>Spitoriai. Opioad a document (.doc., .doc.x, .put, .nis, .nisx, .ppt, .pptx, .zip)</u>
4. How much content is published per week by platform? Describe how many stories, articles, blogs, videos, etc. are published
each week.
Website
Print publication

Cable Channel
Radio
Mobile
Other
VII. Other
Please provide a brief statement explaining why your organization is interested in working with NBC Local Media and how working with your organization would help us achieve the goals of expanding the availability of locally focused news and information in our television markets and enhancing diversity of viewpoints and programming.
Please attach letters of recommendations from two individuals familiar with the work of your organization.
Upload a document (.doc, .docx, .pdf, .rtf, .xls, .xlsx, .ppt, .pptx, .zip)
Clear the form Submit form

EXHIBIT B

PROGRESS
REPORT

NBCUniversal

NBC Local Media Announces Multi-City Search For Locally-Focused, Non-Profit News Organizations To Cooperate In News Gathering and Reporting

Publishing Of Request For Proposals Initiates Process of Identifying

Non-Profit Outlets in Markets Served by NBC's Owned & Operated Stations

Effort Modeled On Successful Relationship Between KNSD, The NBC-Owned Station in San Diego, and Non-Profit News Group voiceofsandiego.org

May 23, 2010, New York, NY -- The Local Media Division of NBCUniversal announced today that it is seeking applications from non-profit, locally-focused news organizations interested in entering into cooperative news gathering and reporting arrangements with NBC owned-and-operated (O&O) television stations in New York, Los Angeles, Chicago, Miami, Philadelphia, San Francisco, Dallas-Ft. Worth, Washington, DC, and Hartford-New Haven, CT. Today's announcement furthers a commitment to localism made by NBC and Comcast when the companies announced the formation of their joint venture in December of 2009.

NBC will seek to establish cooperative arrangements between non-profit news groups and NBC local news teams. These arrangements may include a variety of elements, ranging from story development to sharing of news footage and other content resources; shared used of technical facilities and personnel; on-air opportunities; promotional and other assistance; and cross-linking/embedding of websites.

The model for these new relationships is an existing arrangement between KNSD, the NBC-owned station in San Diego, California and voiceofsandiego.org, a non-profit news organization that has been providing news and information to the local community for six years. Through this initiative NBC is targeting the extension of the model to at least four more of its ten O&O stations, which will bring the number of markets participating in this initiative to at least five.

Organizations interested in applying should have robust news gathering capabilities, a track record of accuracy, fairness and independence in their journalistic efforts, and an ability to provide diverse viewpoints and programming. Requests for proposals specific to each market, together with application forms and more detailed information about the application process are now available at the URLs listed at the bottom of this page. Applications, which will be reviewed by an advisory council that will include NBC Local Media news directors, standards and policy representatives, regulatory affairs executives, and senior counsel, must be submitted by July 22. The company's goal is identify successful candidates by the end of summer, 2011.

"We're looking for top-notch, non-profit news organizations that can work cooperatively with our local NBC news teams to create unique content for both their own platforms and our news platforms," commented John Wallace, President, NBC Local Media. "As we roll out the search process, we'll focus on groups that apply the same high standards of credibility and professionalism that NBC brings to all of its news coverage. And, in keeping with our broad commitment to diversity, we'll also be looking for outlets that represent a range of diverse communities and viewpoints in the markets they serve."

"This initiative is a key step in addressing the commitment we made to increasing localism," commented Rick Cotton, Executive Vice President and General Counsel, NBCUniversal. "It will also help ensure that our communities have broad access to local news and information, while at the same time giving an important boost to non-profits."

"The voiceofsandiego.org staff includes some of the most dedicated news professionals I've ever worked with," commented Greg Dawson, KNSD's News Director. "Since we began working with voiceofsandiego.org in 2006 we've collaborated on everything from investigative reporting to news production, and we've been able to deliver some great stories through both our broadcast, and voiceofsandiego.org's news site. We've also developed compelling weekly features such as 'Fact Check,' through which we test the accuracy of quotes from local and national politicians. Overall, it's been good for news in our city, and I'm excited to see the model replicated elsewhere."



1 of 2 7/20/2011 10:35 PM

"A good partnership optimizes the best talents of each organization and creates something powerful neither of them could do alone. This is what's happened here," Commented Scott Lewis, CEO of voiceofsandiego.org. " NBC San Diego has been willing to try new, innovative ways of explaining complicated news and holding people accountable while at the same time bringing decades of broadcast experience to the table to ensure it's done right. I'm excited to see other stations and partners around the country get together and think about what they can innovate."

Details on the application process for each of the markets involved can be found at the following links:

New York City nbcnewyork.com/nonprofit

Los Angeles nbcla.com/nonprofit

Chicago nbcchicago.com/nonprofit

Miami nbcmiami.com/nonprofit

Philadelphia nbcphiladelphia.com/nonprofit

San Francisco nbcbayarea.com/nonprofit

Dallas-Ft. Worth nbcdfw.com/nonprofit

Washington, DC nbcwashington.com/nonprofit

Hartford-New Haven, CT. nbcconnecticut.com/nonprofit

Contact:

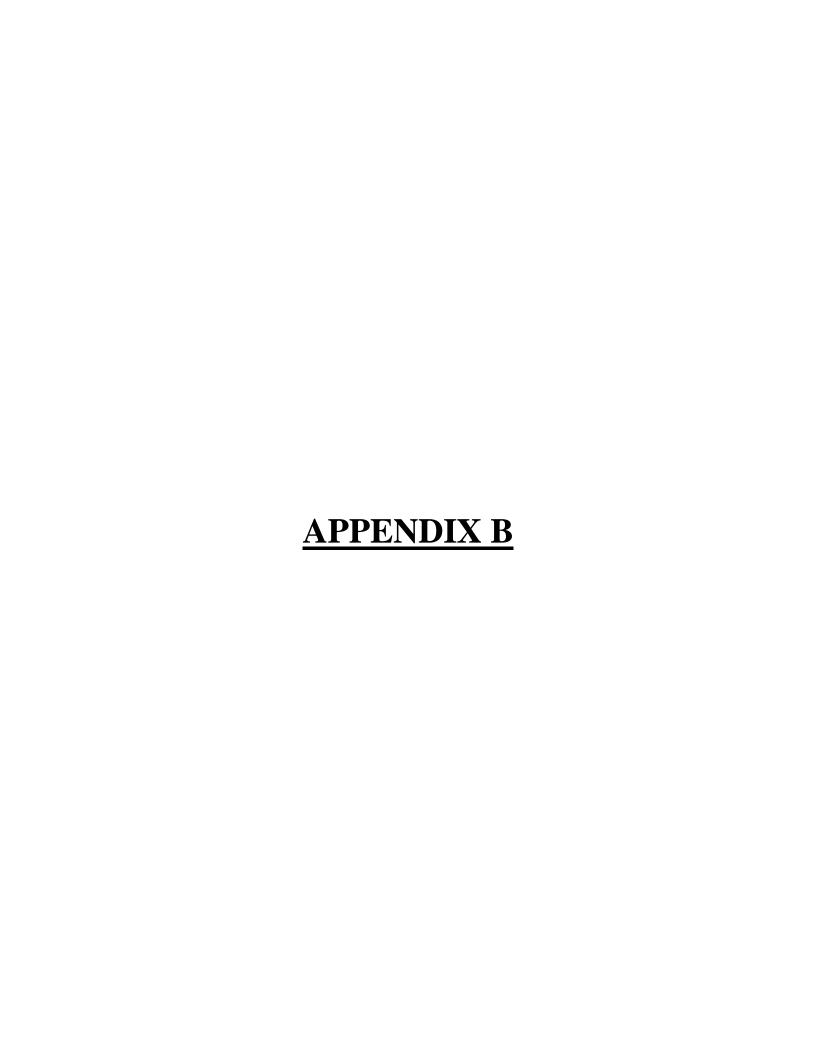
John McKay Corporate Communications NBCUniversal 212.664.6202

Liz Fischer Corporate Communications NBCUniversal 212.664.4825



COMCAST FCC INDEPENDENT PROGRAMMING REPORTS | PRIVACY POLICY | TERMS OF SERVICE | | @ 2011 NBCUNIVERSAL, INC. ALL RIGHTS RESERVED.

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PROGRESS
REPORT

Comcast, NBCUniversal

JANUARY 2012

NON-PROFIT NEWS PARTNERS PROGRESS REPORT

This report summarizes the steps NBCUniversal has taken during the reporting period of **July 28, 2011 to January 28, 2012** to satisfy the obligation under Appendix A, Section XI.5 of the Comcast-NBCUniversal Order. That condition requires that at least four of the 10 NBC Owned Television Stations enter into cooperative arrangements with locally focused non-profit news organizations. These arrangements are to be modeled after the successful partnership already in place between the NBCUniversal—owned television station in San Diego, California and the VoiceofSanDiego.org.

As announced this past December, four stations, plus the San Diego operation, have established partnerships with non-profit news entities.

CULMINATION OF THE NEWS PARTNERS SELECTION PROCESS

The first report on the progress of the news partner selection process described the steps taken by NBCUniversal to ensure the broadest dissemination of its request for proposals and application intake process, both of which concluded on July 22, 2011. NBCUniversal's efforts since then have been focused on evaluating proposals representing 30 independent news organizations from across the country. The high volume of applications came as little surprise considering the extensive outreach effort undertaken by the NBCUniversal-owned stations in their markets. To recap, the outreach consisted of:

Airing promotional announcements on all of the NBC Owned Television Stations
other than NBC 7 San Diego (KNSD). By the close of the application period, the
NBC Owned Television Stations had aired more than 1,800 promotional
announcements inviting interested parties to visit each station's website and
submit an application.

Memorandum, Opinion and Order in the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees, MB Docket No. 10-56 (Jan. 18, 2011), as amended by the Erratum released on March 9, 2011 ("Comcast-NBCUniversal Order").

See Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Comcast Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, MB Docket No. 10-56 (Jul. 28, 2011) at Attachment A ("July 28 Report").

- Placing advertisements on each NBC Owned Television Station's website, generating over 13 million ad impressions across the sites.
- Creating a vanity URL on each station's website (.com/nonprofit) that contained the application form and information on the application process.
- Issuing a press release that described the project and included links to the relevant section of the stations' websites.³
- Communicating directly with any organizations that had proactively contacted NBCUniversal based on press reports describing the local news partnership condition in the Comcast-NBCUniversal order.
- Sending e-mails describing the project to the heads of six diverse journalism organizations to encourage these organizations to make their members aware of the potential opportunity. These organizations are National Association of Black Journalists, National Association of Hispanic Journalists, Native American Journalists Association, Asian American Journalists Association, South Asian Journalists Association and National Lesbian and Gay Journalists Association.

Organizations interested in applying were required to demonstrate robust news gathering capabilities and a track record of accuracy, fairness and independence in their journalistic efforts. To further the goal of enhancing diversity, the application materials required each applicant to describe the manner in which the applicant's governance and leadership reflected the diversity of communities in the station's service area. The applicant's ability to help the NBC Owned Television Stations enhance diversity of viewpoints and programming was also a factor in the review process.

Each qualifying application was reviewed in full by four people —the in-market news director, the station's finance director, a second news leader randomly assigned, and a member of the law department. The pool of applicants was narrowed through this paper review. Finalists were then subjected to a second review, including a site visit, discussion of business terms, follow-up questions, reference checking and background checking.

See Press Release: NBC Local Media Announces Multi-City Search for Locally-Focused, Non-Profit News Organizations, http://www.nbcuni.com/corporate/newsroom/nbc-local-media-announces-multi-city-search-for-locally-focused-non-profit-news-organizations-1 (May 23, 2011).

SELECTED PARTNERS

On December 6, 2011, NBC Owned Television Stations announced the four selected partners at the close of its careful and detailed selection process. Each selected partner has a distinguished history of providing locally-focused news through traditional and non-traditional media alike.

News Partner

Station





ProPublica (www.propublica.org) is a Pulitzer Prize-winning independent newsroom that produces investigative journalism that serves the public interest, focusing on important stories with great impact with a goal of generating positive reform in the larger community. Since its launch in 2008, ProPublica has partnered with leading news organizations across the nation to publish or broadcast their stories, distributing more than 100 stories in 2010 with more than 40 different partners.

ProPublica has partnered with NBC 4 New York (WNBC), but will also provide the results of its investigations to all 10 NBC Owned Television Stations. Richard Tofel, ProPublica's general manager, expressed that the partnership with the NBC Owned Television Stations "will extend the reach and impact of ProPublica's groundbreaking news applications and result in great local stories for NBC viewers across the country. Beyond that, we're very grateful for NBCUniversal's commitment to supporting innovative non-profit journalism in the public interest."

News Partner

Station





See Press Release: NBC Owned Stations Selects Four Non-Profit News Partners, http://www.nbcuni.com/corporate/newsroom/nbc-owned-stations-selects-four-non-profit-news-partners (Dec. 6, 2011) and related blog post at http://www.nbcudirect.com/nbcownedstations120611/ (Dec. 6, 2011).

M. Cho, NBC Selects ProPublica as New Non-Profit Partner,
http://www.propublica.org/atpropublica/item/nbc-selects-propublica-as-new-nonprofit-partner (Dec. 6, 2011).

The Chicago Reporter (www.chicagoreporter.com) is an investigative news organization that publishes a website, blog and bi-monthly magazine. The staff of The Reporter is widely-recognized for its reports and analysis on the social, economic and political issues of metropolitan Chicago with a focus on race and poverty. The Reporter serves a wide, diverse and influential audience of policy makers and government officials, traditional and new media, social service providers and members of the general public.

The Chicago Reporter will work with NBC 5 Chicago (WMAQ). Kimbriell Kelly, editor and interim publisher of *The Reporter*, was quoted on her organization's website as saying that "[t]he Chicago Reporter is looking forward to combining our 40 years of investigative reporting and analysis around race and poverty with the heft of the investigative staff at NBC. As newsrooms cut back on resources, it's refreshing that NBC/Comcast has remained committed to expanding its capacity through strategic community partnerships."

News Partner Station





WHYY (<u>www.whyy.org</u>) is a leading public media provider in the Greater Philadelphia area, serving Southeastern Pennsylvania, Southern New Jersey and all of Delaware and reaching more than one million television viewers, over 400,000 radio listeners and nearly 100,000 unique website visitors at <u>www.newsworks.org</u> each week. Their coverage focuses on news, education, arts and culture.

WHYY will work with NBC 10 Philadelphia (WCAU). WHYY Executive Vice President and Chief Operation Officer Kyra McGrath praised the initiative by stating, "NBC 10 has a tremendous reach in this region beyond our reach. So we think each partner can bring something to the other."

M. Zamudio, The Chicago Reporter partners with NBC 5, http://www.chicagoreporter.com/news/2011/12/chicago-reporter-partners-nbc-5 (Dec. 6, 2011).

C. Mimidis, NBC10 Announces New Partnership with WHYY, http://www.nbcphiladelphia.com/news/local/NBC10-Announces-New-Partnership-With-WHYY-135103868.html (Dec. 6, 2011).





KPCC (www.kpcc.org) is Southern California Public Radio's flagship station, reaching more than 650,000 listeners every week in the Los Angeles area and Orange County with award-winning local news and public radio's signature programs. KPCC has garnered over 200 journalistic honors including three Distinguished Radio Journalist awards from the Greater LA Chapter of the Society of Professional Journalists and the 2008 top honor for Breaking News from the LA Press Club. KPCC also features signature public radio programs from American Public Media, the BBC and Public Radio International.

KPCC will work with NBC4 LA (KNBC). KPCC's News Director Paul Glickman said of NBC4 LA, "It's their goal to improve their local news coverage. That's what this is about for them. And they look to us as a logical place to turn because of our reputation for the high quality of our news coverage." ⁸

CURRENT STATUS

These four agreements, plus the existing one in San Diego, mean that the NBC Owned Stations division is engaged in local news partnerships in 50 percent of its markets.

The new partnerships started immediately following the announcement. The partnerships will feature a variety of elements, including developing stories, conducting research and investigations, sharing footage and other content across multiple platforms, providing promotional assistance and cross-linking websites.

All four new stations participating in the partnerships kicked off the new arrangements by holding joint editorial planning meetings with the non-profit partners. Although these collaborations are still in the early planning stages, the efforts by the NBC stations and their partners are already producing results. For example, *The Chicago Reporter* and NBC 5 Chicago recently joined forces in an investigation concerning the business dealings of Dr. Leon Finney Jr., a high-profile Chicago minister and community organizer who controls tens of millions of dollars in government grants for subsidized housing and community programs. Following an investigative piece which appeared in *The*

(Un

See Press Release: KPCC plans investigative/enterprise news partnership with NBC LA, http://www.scpr.org/news/2011/12/06/30219/kpcc-plans-investigativeenterprise-news-199/ (Dec. 6, 2011).

Reporter's bi-monthly magazine, ⁹ The Reporter and NBC 5 Chicago assembled a joint team to conduct a deeper investigation into additional non-profit projects controlled by Dr. Finney and his wife in addition to those covered in *The Reporter's* story. The results of the investigation aired in a segment featured on the NBC 5 Chicago news during the week of January 16, 2012, ¹⁰ and articles were posted on the NBC 5 Chicago website. ¹¹ *The Reporter* and NBC 5 Chicago will continue collaborating on this story and its developments.

In New York, ProPublica recently provided NBC 4 New York a briefing on a new interactive news application. As a result, NBC 4 New York is working on a story that will air in February. Additionally, the station has shared the details with the other NBC Owned Television Stations so they can determine if they want to do their own local stories.

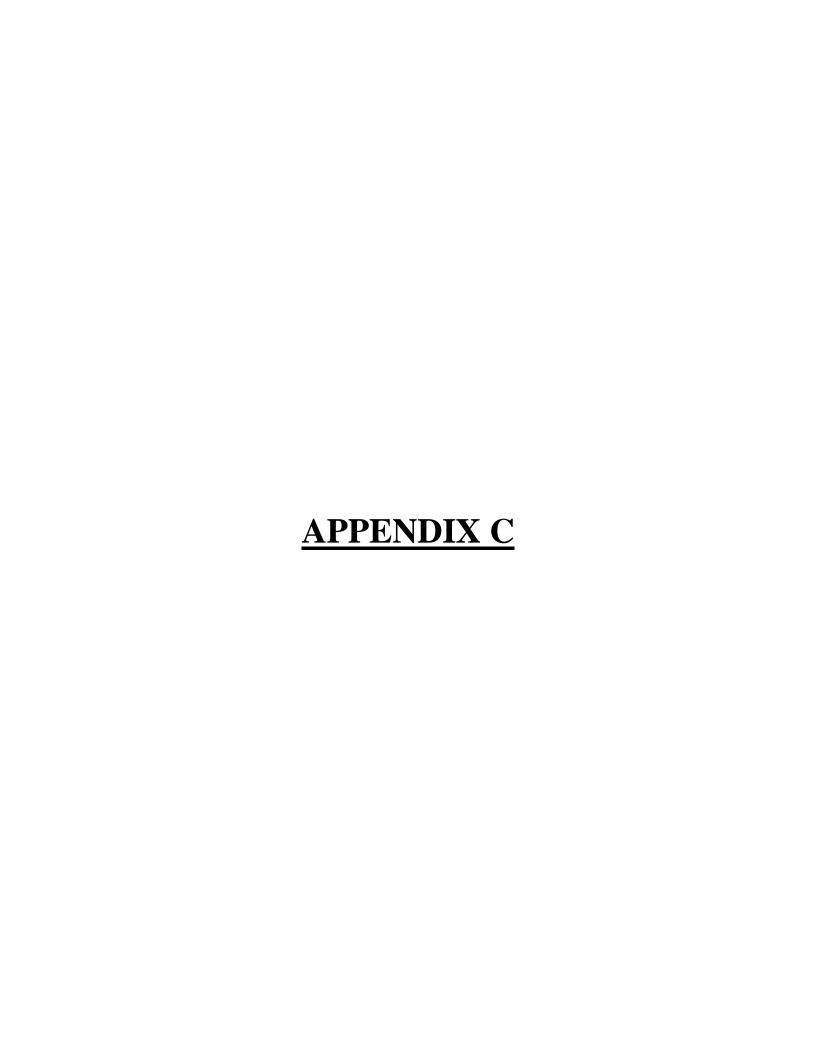
See A. Caputo, The Chicago Reporter: Following Finney (Jan.-Feb. 2012), reprinted online at http://www.chicagoreporter.com/news/2012/01/following-finney (Jan. 2, 2012).

Video of broadcast available at: http://www.nbcchicago.com/video/#!/news/local/video-override/Questions-of-Financial-Impropriety-Dog-Woodlawn-Organization/137734768 (Jan. 19, 2012).

See, e.g., A. Caputo, Reporter Investigation: Landlord, Daley Ally Makes 'Slumlord' List, http://www.nbcchicago.com/news/local/Politcally-Connected-Landlord-Makes-Slumlord-List-136833258.html (Jan. 6, 2012)

PROGRESS REPORT





PIEIG Pilot Program

Progress report on the PEG Video On Demand and Online platforms

July 28, 2011



Our PIEIG Trial Communities





HIALEAH Florida



HOUSTONTexas



PETERBOROUGH New Hampshire



PHILADELPHIA
Pennsylvania

+ MEDFORD
Massachusetts



PEG Pilot Program

July 28, 2011

This report describes the progress of Comcast's pilot platform to host PEG [Public, Educational and Governmental] content on Comcast's Video On Demand ("VOD") and On Demand Online ("Online") platforms.

Scope of the Commitment

Over the next three years, Comcast will work with community, political and PEG leaders in each of the five communities selected for this pilot program to see how best to make local programming available on VOD and Online platforms.

Pilot Communities

On February 28, 2011, Comcast submitted a letter to the Federal Communications Commission announcing the five municipalities selected to participate in the PEG pilot program.¹ The five participating municipalities are:

- The City of Fresno, California;
- The City of Hialeah, Florida;
- The Town of Peterborough, New Hampshire;
- The City of Philadelphia, Pennsylvania, and;
- The City of Houston, Texas.

In addition, Comcast decided to work with a sixth community —the City of Medford, Massachusetts— as a "laboratory" to trial implementation approaches before launching Online and VOD platform programs in the five PEG pilot communities.

Preliminary Work and Consultations with the Pilot Communities

Comcast approached the mayors of these six municipalities with an idea designed in part to inspire each community to begin thinking about its PEG programming needs. The goal was to engage the relevant stakeholders to define each community's media requirements and kickstart each community's effort to define strategic goals for their hyper-local programming, by engaging in a first step, "new media" project.

We branded this initiative **Project Open Voice**. Comcast worked with the mayors' offices in each municipality to develop a public service campaign consisting of a public service announcement ("PSA") and an associated website designed to promote an issue of interest for the community. The

See Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Comcast Corporation, to Marlene H. Dortch, Secretary, FCC, at 1 (Feb. 28, 2011).

PSA theme chosen by each community is featured on the Project Open Voice website (www.projectopenvoice.com), a copy of which is attached hereto as an Exhibit.

Subsequently, between April and June, Comcast went back to each pilot community as well as Medford and began discussions focused specifically on the pilot projects involving PEG distribution on VOD and Online. As required by Section XIV.4.b of Appendix A to the Comcast-NBCUniversal Order,² Comcast held community "forums" with local leaders, including city officials, community leaders and PEG programmers in each of the trial communities to get direction on which PEG programming would most benefit residents by being placed on VOD and Online.³

The information provided by the participants in these meetings has guided the development of the on demand models —particularly for Online— for delivery of locally-produced content catered to each community's needs and interests.

Each community will have a customized website to serve as the online portal to the community's Online PEG content. Among other things, PEG forum participants were shown a prototype of the Online web portal that Comcast had presented for Medford's consideration (shown below), to illustrate one possible approach.



In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. For Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, MB Docket No. 10-56, 26 FCC Rcd 4238 (2011) (the "Order").

Of course, as required by the Order and consistent with Comcast's own practice, all decisions regarding the PEG content ultimately to be provided for the VOD and Online projects are ultimately within the full discretion of the communities. Comcast does not exercise editorial control over those decisions, and will support whatever content the communities decide to include.

In addition, Comcast prepared a brief video presentation to explain the functionality of the sample Medford Online site. The video is available at youtube.com/watch?v=ZvkGxHI2518.



Our local teams have been in regular contact with the communities since the forums were held. Each community will be engaged throughout the months of August and September to identify existing PEG content for placement on VOD in October.

Ongoing Work in Support of VOD and Online Platform Deployment

Comcast has been taking various steps to ready the VOD platform in each pilot community in order to meet the October 28, 2011 launch date for the PEG VOD trials. Among other things, Comcast has worked with local VOD content managers and engineers in the Comcast system for each community to confirm that each cable system has facilities that can support delivery of PEG content to subscribers and to verify that each system has allocated capacity to host PEG programming on its VOD storage sites. Comcast is also working with local VOD content managers to identify the appropriate on-screen menu placement of new PEG content for customers.

Comcast has also had both in-person and telephonic meetings with community leaders, PEG programming personnel and local government officials in each pilot community to discuss which programming should be placed on VOD.

To date, good progress has been made on Comcast's and the communities' sides, and no issues have been identified that should hamper placement of PEG programming on VOD in the pilot communities by the October 28, 2011 deadline.

Development of the PEG Online pilot is similarly ongoing and on track to meet the January 28, 2012 deadline. Comcast has engaged the services of an interactive platform developer to build the Online foundation and functionality which will be deployed across all six local Online portals. The developer was chosen primarily for its breadth of experience in

developing the hardware and software architecture used by Comcast in other Online and streaming platforms.

Comcast is also making progress in the design of the local Online websites. After issuing a request for proposals, in mid-July Comcast selected three web design vendors to trial different creative design concepts (i.e., the look-and-feel, graphics and other multimedia components) based on each community's feedback. Each web developer has been assigned two of the six communities. Relying on three different web designers allows Comcast to experiment with three distinct creative approaches to the Online user experience with the objective of choosing the best elements from each for future Online development.

In addition, Comcast has engaged local consultants in each community to provide guidance regarding community needs and interests that the community, in turn, can use in developing PEG Online content. The consultants will work with local officials, and Comcast's local teams, so that the sites reflect each community's unique needs.



(comcast.



Welcome to Project Open Voice!

Good local TV programming connects a community's residents. As part of Comcast's continuing support for public, educational and governmental (PEG) programming, we launched an initiative to explore new and innovative ways that this local programming can be made available in a community.

The name of this initiative is Project Open Voice.

Over the next three years, we will work closely with community, political and PEG leaders in six communities to see how best to make local programming available. Our community partners are Fresno, California; Hialeah, Florida; Peterborough, New Hampshire; Philadelphia, Pennsylvania; Houston, Texas; and Medford, Massachusetts. These communities represent a cross-section of American culture and diversity. Working together with our city partners, we hope to develop and test exciting new online and On Demand models for better delivery of locally produced content. We want to help residents get the kind of information that really connects them with what's going on around their hometowns -- the places where they live, work, learn and play. We look forward to exploring new ideas, and learning from our local partners.

Why is this important?

Local TV programming serves and enriches local communities by promoting diversity, a free market of ideas, and an informed and well-educated citizenry. PEG programming provides cable subscribers with locally oriented educational information as well as a window into the operation of their state and local government, and provides local citizens with a forum for public discussion and expression. This programming helps to inform community members and improves the quality of their lives. We need to ensure that as technologies change, and the way people watch TV change, local programming keeps pace.

Why do a public service campaign?

Once we selected the pilot communities, we wanted to learn more about them. Our project team focused on the different histories, cultures and current affairs of each place. We wanted to understand how the people who live there used their local media. How do they watch TV? Where do they prefer to go to follow local news, sports, entertainment? How do they connect with the world around them?

We spoke with residents, city officials, PEG teams and our local staffers who live in each area. Then, we developed a unique public service announcement (PSA) campaign around an issue or objective of importance for each community -- issues like parks, pet adoption, environmentalism and volunteerism. We used various new and traditional methods to spread the word about these campaigns, allowing us to explore the relationships that could develop by integrating typical TV content with the convenience of online and On Demand services.

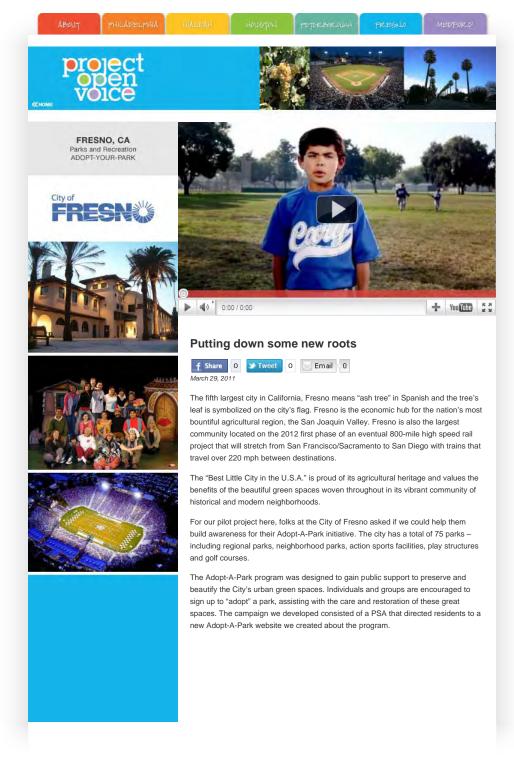
Innovate=Collaborate

We will collaborate with our partners (including elected officials and their staffs, PEG channel coordinators and residents) to plan how we can build customized online portals that each community can use to launch and stream digital programming and other helpful and entertaining resources to their residents. In addition, we want to help our partners reach out more effectively to attract new audiences.

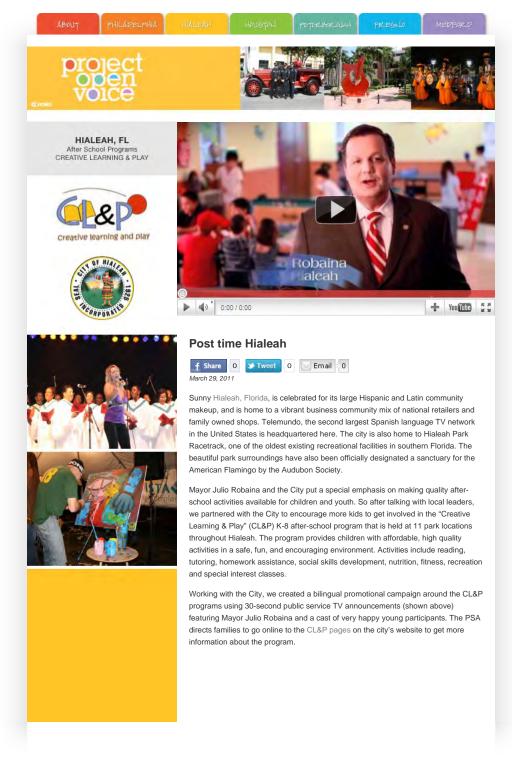
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Sign up for automatic email dispatches or *join the journey* by sending your ideas and suggestions to Project_Open_Voice@Cable.Comcast.com.

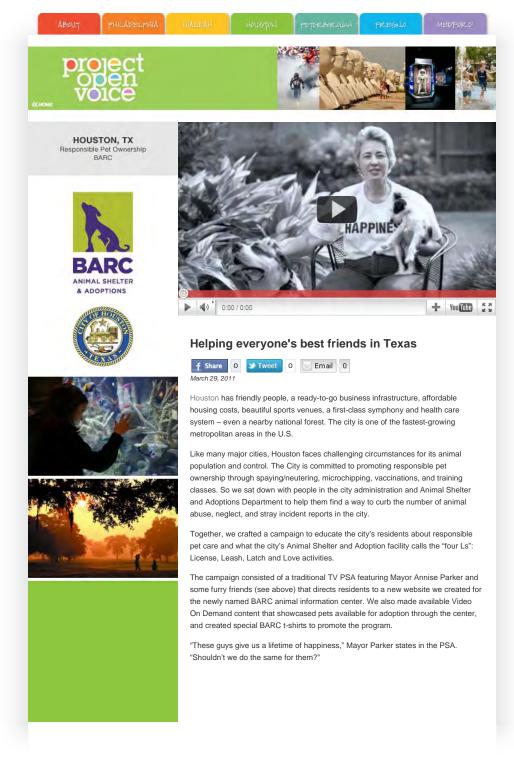
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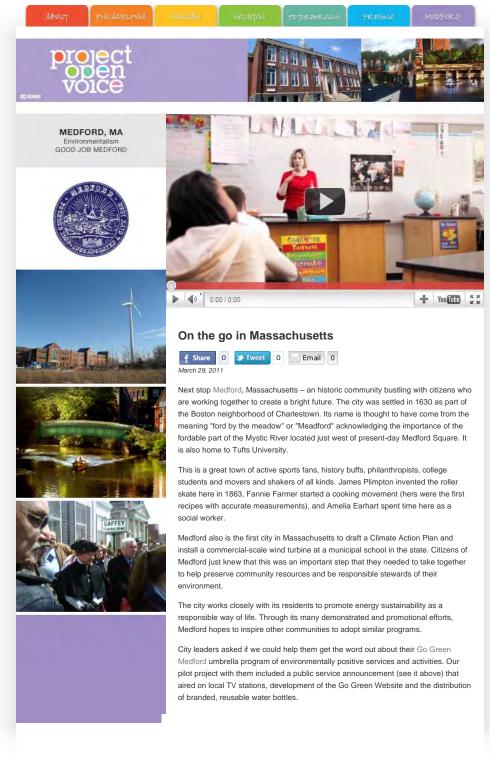
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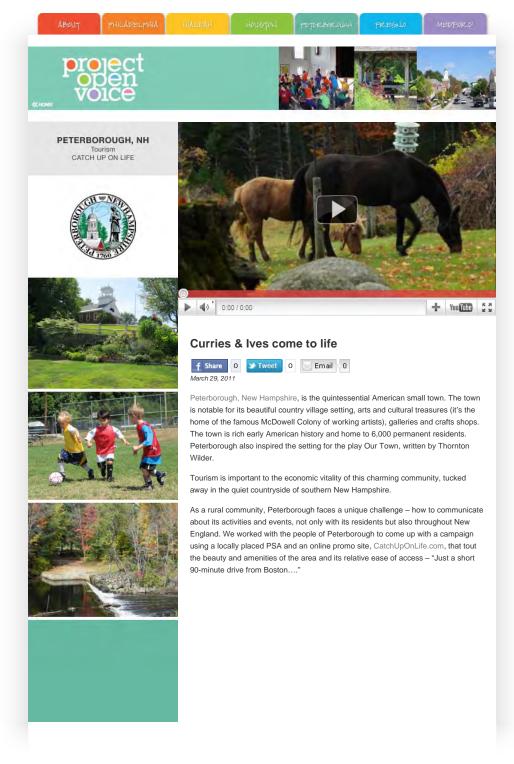
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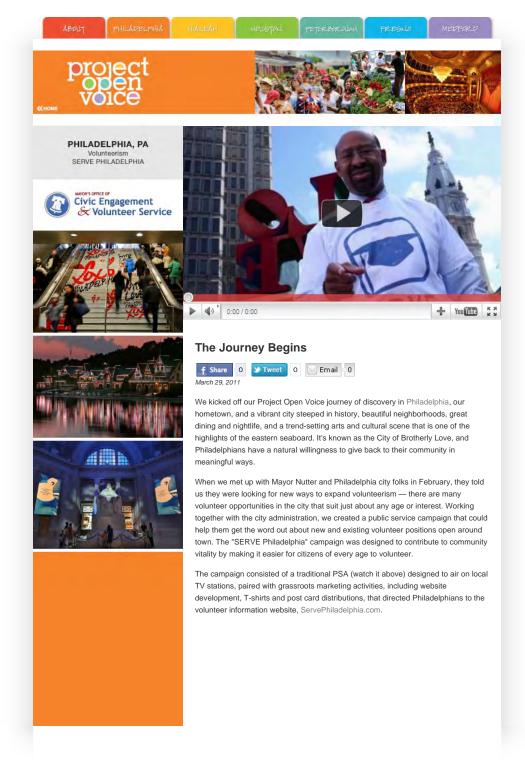
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WWW.COMCAST.COM/PEG





PIEG Pilot Program

Progress report on the PEG Video On Demand and Online platforms

January 2012





PEG Pilot Program Status Report

For the period of July 28, 2011 through January 28, 2012

This report describes the progress of Comcast's pilot program to host PEG [Public, Educational and Governmental] content on Video On Demand ("VOD") and On Demand Online ("Online") platforms, consistent with the commitments and deadlines set forth in Section XIV.4 of Appendix A to the Comcast-NBCUniversal Order.¹

Background

Our July 2011 Report² described the initial steps Comcast took to design and populate its PEG VOD and Online pilot program in the six trial communities.³ Among other things, Comcast engaged PEG stakeholders in each community to explore which VOD and/or Online PEG programming would most benefit residents, and engaged in various preparations to ensure that it could initiate placement of each communities' selected PEG programming on both the VOD and Online.

Comcast is pleased to report that it successfully launched both its PEG VOD and PEG Online platforms, and we provide updated information here about our efforts and accomplishments.

Placement of PEG Content on Comcast VOD

By October 28, 2011 (*i.e.*, within nine months of the closing of the Comcast-NBCUniversal Transaction as required by Section XIV.4.c.ii of the Order), Comcast had successfully initiated placement of community-designated PEG content on its local VOD servers. As of January 2012, a total of approximately 12 hours of PEG programming has been hosted by the local VOD servers in the pilot communities. This value will continue to grow as the communities refresh the content placed in their designated folders.

The participating communities are: Fresno, California; Hialeah, Florida; Houston, Texas; Philadelphia, Pennsylvania; and Peterborough, New Hampshire. A sixth community, Medford, Massachusetts, was added to trial the PEG platforms.



1

In the Matter of Applications of Comcast Corporation, General Electric Company and NBC Universal, Inc. for Consent to Assign Licenses and Transfer Control of Licensees, Memorandum Opinion and Order, 26 FCC Rcd 4238 (2011) (the "Order").

See Letter from Lynn R. Charytan, Vice President, Legal Regulatory Affairs, Comcast Corporation, to Marlene H. Dortch, Secretary, Federal Communications Commission, MB Docket No. 10-56 (Jul. 28, 2011) at Attachment B.

PEG VOD Folder Structure

Comcast video subscribers can access the PEG VOD programming for their community by pressing the "On Demand" button in their remote control and navigating to the "Project Open Voice" folder. For example, the steps below illustrate how to reach the "Greenworks" PEG VOD content available in the Philadelphia market.



Select the "Get Local" folder from the folder list on the VOD home menu.



Select "Project Open Voice". Note: other local content choices may be listed in this menu.



The next menu displays the folder names of all the PEG VOD content designated by the pilot community. Select "Greenworks" to display a list of available PEG VOD content.



All "Greenworks" PEG VOD content chosen by the Philadelphia Office of the Mayor is available in this folder. Users can playback content from here.



Other Philadelphia PEG VOD content is located in folders titled "PhillyCAM" and "Drexel University." The Get Local – Project Open Voice navigation structure is the same in all of the pilot VOD systems.

Managing PEG Content on VOD

In anticipation of the October 28, 2011 launch, Comcast met with PEG programmers specifically designated by the communities to participate in the VOD project and officials in each pilot community to introduce them to local Comcast VOD professionals. These meetings were also used to train PEG providers on the technical requirements for VOD content submission.

Project Open Voice teams also designed a straightforward submission process for PEG VOD content. Designated PEG programmers simply contact their local Comcast VOD team to request a folder management change or update. Soon after the PEG content is delivered by the PEG Programmer, the local Comcast VOD team converts it to VOD server-compatible format (if necessary), creates the relevant folder location and on-screen menu listing as per the PEG programmer's instructions. The content is then ready for viewing by Comcast video subscribers within that pilot community. Programming placed in the PEG VOD folders can be refreshed as often as the PEG provider wants, content folders can be added or deleted, or the city can decide to allocate server space to another PEG provider.

Local Comcast VOD teams will continue to work closely with designated PEG content managers to support each city's VOD folder management needs.

Placement of PEG Content Online

By January 28, 2012 (*i.e.*, within one year of the closing of the Comcast-NBCUniversal Transaction as required by Section XIV.4.iii), Comcast had successfully initiated placement of community-designated PEG content on a new, custom-designed online platform. Assisted by third-party developers, Comcast created six distinct websites to distribute local PEG content online and accessible to anyone on the public Internet.

Custom-built Websites for Each Pilot Community

The names and web addresses chosen by each of the communities for their online platforms are:

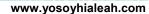


project open voice

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It bears emphasizing that Comcast exerts no editorial control over the content selected by each community for PEG VOD placement.







www.locallookpeterborough.com



www.houstonvoice.com



www.phillyinfocus.com

Each community led the design of the branding, visual identity, theme and messaging focus of its Online portal. The result is six unique websites, each with a look and feel specifically tailored to local online media distribution needs. Additional details on the theme chosen by each community are featured on the revamped Project Open Voice website (www.projectopenvoice.com), a copy of which is attached hereto as Exhibit A.

All sites were launched in beta form and are now generally available to all Internet users. Our web developers and local PEG consultants will continue working with the communities to optimize the design, technical characteristics and viewing experience of each site. This soft launch will be followed by increased promotional and marketing support, including press events and official community launch events, in the near future.

Streaming PEG and Local Content

Each community was tasked with choosing qualified content providers to run "streaming channels" within the sites. Selected content providers then received user rights to manage the online content associated with their accounts, including new content uploads, designating "featured" videos, and other tools they can use to attract more viewers to their channels. Comcast provided common functions on the back-end of each website through a content provider dashboard to make managing content as simple as possible for the providers. The content provider dashboard lets the provider review all of the video, comments, social media and analytics functions all in one place. Video uploads are supported in a range of popular container formats, including .AVI, .MOV, .MP4, and .FLV and in a range of quality levels, including high definition (HD).

All sites were specifically designed to host and stream online PEG content with a format, function and appearance that is instantly familiar to any user of the Internet's popular online video streaming sites. Users can browse and search for videos by typing a keyword, neighborhoods, subject, category, community activity ranking or channel name. Playback is controlled through the characteristic play/pause button with a volume and progress bar.



In addition, Comcast has provided each community with automated tools and suggested guidelines to minimize abuse of the site's features, such as the comments section.⁵

At launch, the sites featured nearly 400 videos of PEG and other local content. Since the Online platform has more capacity than a VOD server provides, communities have the ability to include more programming choices, including programming from traditional PEG providers, and also from other local interest media that the community may wish to share on its website.

Online access has the potential to broaden the accessibility and availability of local PEG and public-interest programming through electronic media on a scale previously unavailable. To support that new reach, Comcast is also providing the content providers with data and analytics to measure the web, social media and video viewership impact of their content in a wide variety of ways.



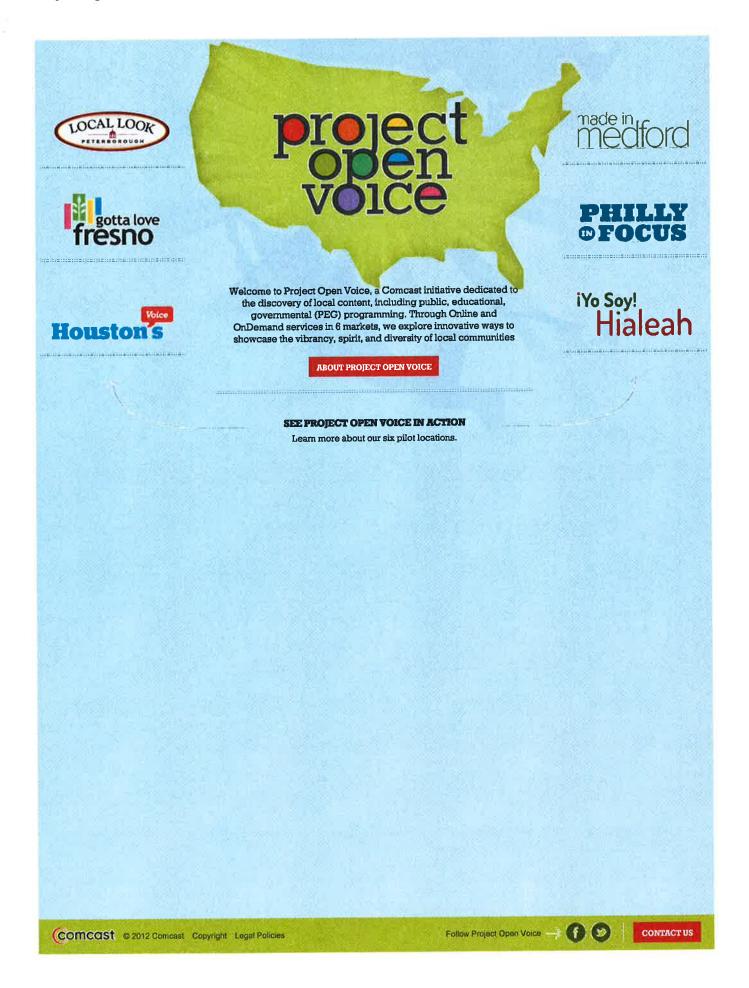
Each community is responsible for monitoring and managing its Online portal and Comcast exerts no editorial control over the posted content.

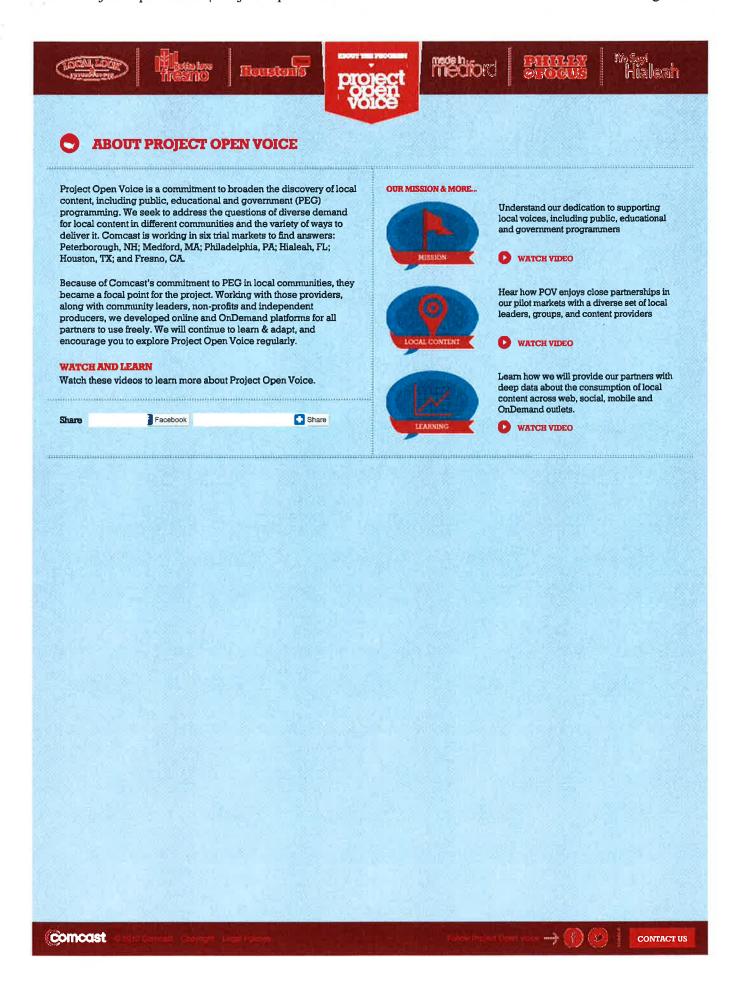
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EXHIBIT A



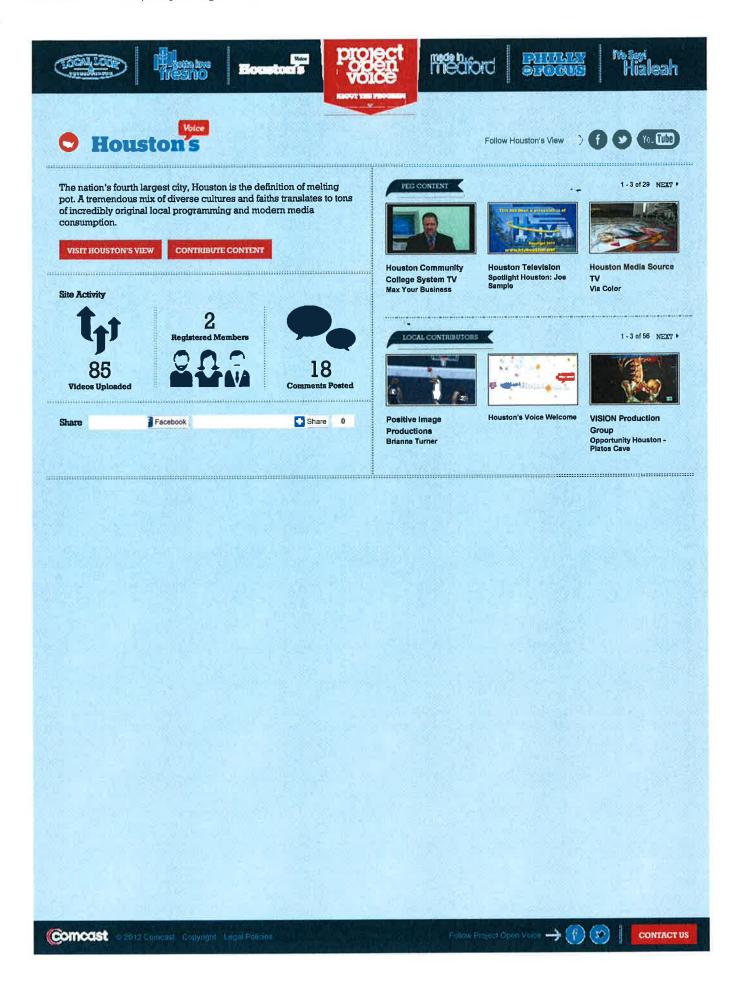
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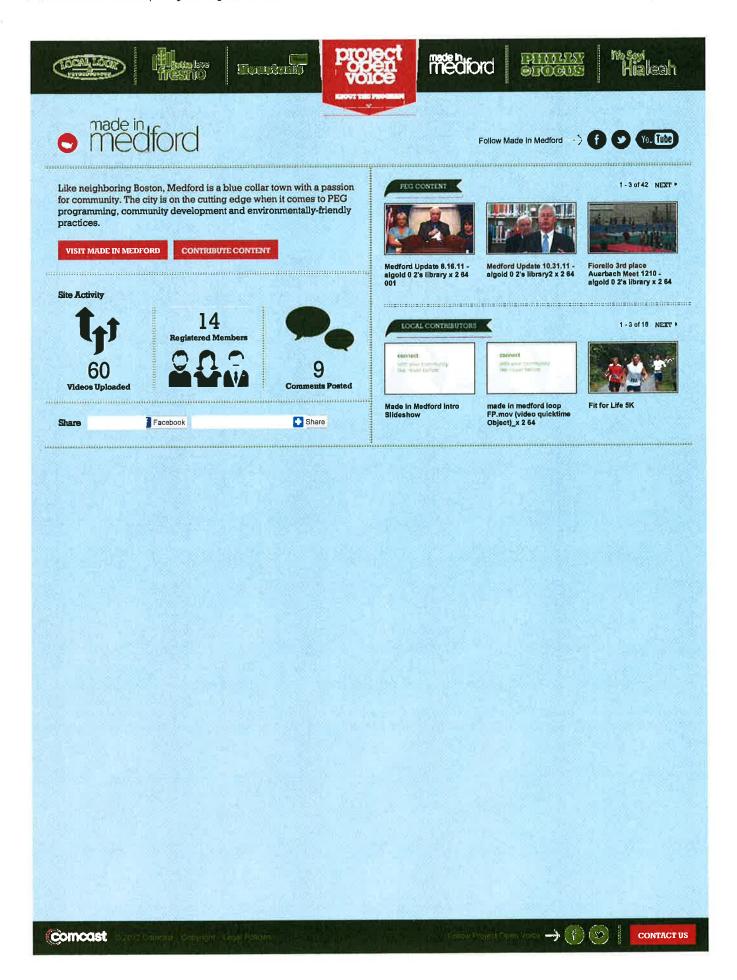


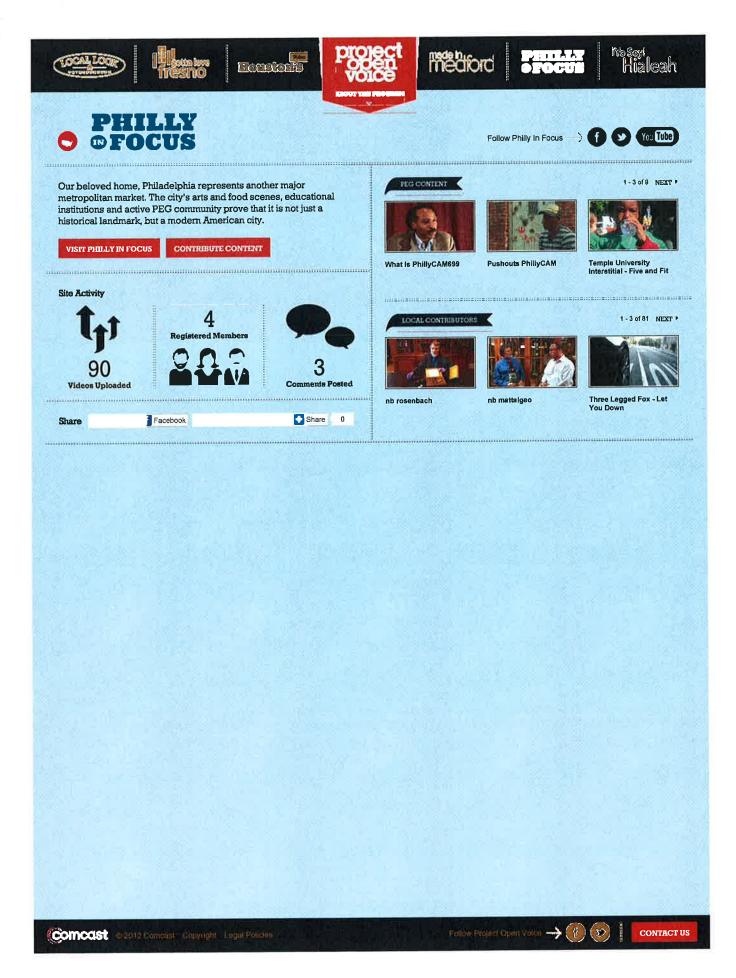










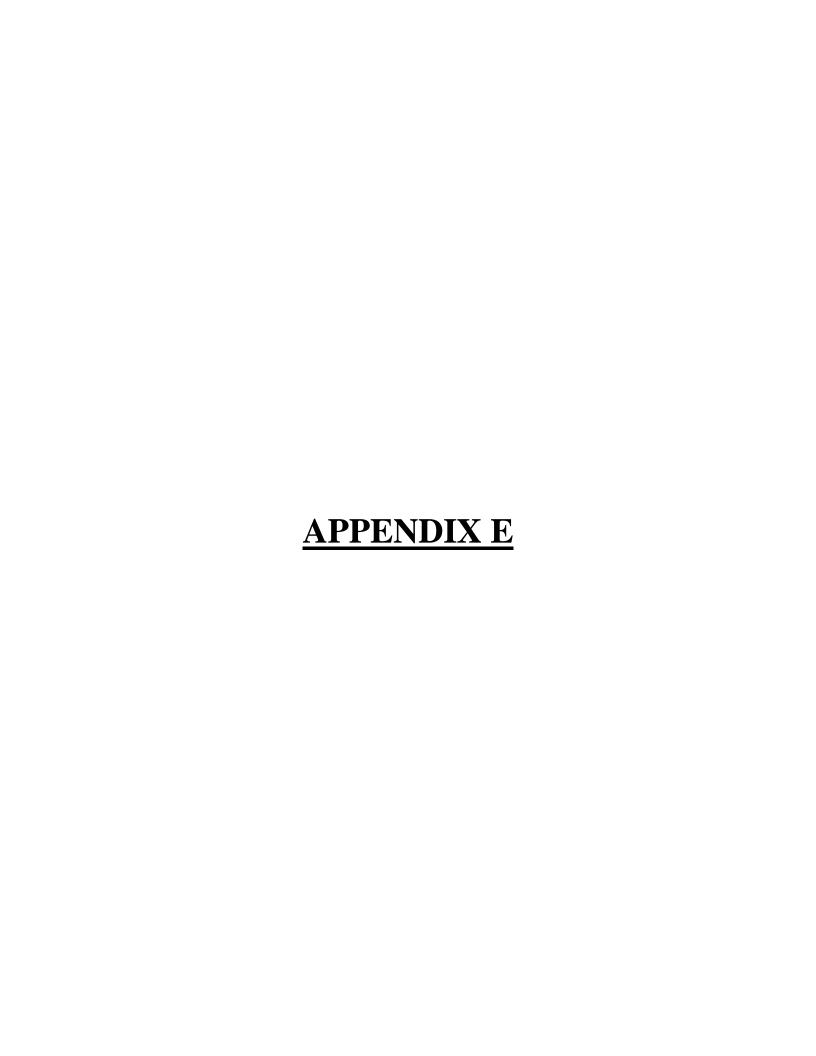




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INTERNET ESSENTIALS™ FROM COMCAST

Conquering the Digital Divide

Closing the Broadband Opportunity Gap







INTERNET ESSENTIALS** FROM COMCAST

Conquering the Digital Divide

Closing the Broadband Opportunity Gap

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About 30% of Americans—many of whom are living near or below the poverty line—remain on the wrong side of the digital divide. They possess little to no computer literacy, do not have broadband access at home and/or do not have a home computer or device capable of supporting high-speed Internet use. As a result, they face profound disadvantages in getting a quality education, strengthening their job skills, obtaining news and entertainment, or accessing the kind of health, educational and financial information that is essential to improving the quality of their lives.

That is the cruel irony of the digital divide. With the Internet, we have this transformative technology that has the potential to level the playing field. But instead of equalizing opportunity, the Internet is actually increasing disparities because of the broadband adoption gap. In other words, the very segment of America that can most benefit from the equalizing potential of the Internet is instead falling further behind because they do not have Internet service at home.

As the nation's largest residential broadband service provider, Comcast is dedicated to bridging the digital divide by narrowing the broadband opportunity gap. We have wired over 99% of our service area for broadband, ensuring that families have access no matter where they live. We invest substantially in digital literacy and broadband adoption programs in the local communities we serve, including Comcast Digital Connectors (in partnership with One Economy), Club Tech at Boys & Girls Clubs and the League of United Latin American Citizens (LULAC) Tech Centers.

In the summer of 2011, we took this commitment further by launching Internet Essentials to expand adoption of broadband Internet by low-income Americans. While the launch of a broadband adoption program targeted to low-income populations in the United States was one of our voluntary commitments in connection with the Comcast/NBCUniversal transaction, that commitment grew out of a multi-year internal project that had identified low-income broadband adoption as Comcast's most important community investment priority, and our implementation of Internet Essentials has already gone far beyond the letter of our voluntary commitment to the Federal Communications Commission (FCC).

Internet Essentials is not just another Comcast product or service. It represents the largest and most comprehensive broadband adoption program anywhere in America, providing low-cost broadband service for \$9.95 a month; the option to purchase a full-service, Internet-ready computer for under \$150; and multiple options for digital literacy training in print, online and in-person.

Research consistently shows that the barriers to broadband adoption involve a complex mix of low digital literacy, perceived lack of relevance of online content and the need for low-cost, good quality computers and Internet service. Internet Essentials is intended to address all of these critical hurdles to broadband adoption.

This report provides an early assessment of our successful launch of Internet Essentials.

While we continue to analyze and make adjustments to Internet Essentials, we have achieved a number of key accomplishments and met several milestones after only a few months of the program. They include:

- Publicizing the program across more than 4,000 school districts and over 30,000 schools, which have approximately 3.5 million National School Lunch Program (NSLP) families, of which approximately 2 million qualify for free meals under the NSLP and are eligible for Internet Essentials;
- Partnering with over 3,000 governors, mayors, local, state and federal legislators, and community-based organizations to promote Internet Essentials and engage eligible families in their communities;
- Offering nearly 300 in-person digital literacy training sessions with more than 1,250 individual attendees;
- Empowering nearly 100,000 Comcast employees to directly connect eligible families in their communities;
- Connecting over 41,000 families (an estimated 160,000 Americans) to the power of the Internet in their homes, some for the very first time; and
- Distributing over 5,500 computers at less than \$150 each.

We have carefully analyzed our own data and also commissioned third-party survey research in connection with our launch of Internet Essentials — including surveying families who have signed up for the program and families who have not. We are pleased and gratified that 86% of Internet Essentials customers surveyed are highly satisfied with the product, and 99% of these surveyed customers would recommend Internet Essentials to others. We have received continuous feedback from potential customers and our community partners, and based on what we have learned, we have already adjusted certain elements of Internet Essentials and remain committed to continue refining the program.

We are now announcing six key enhancements to Internet Essentials:

- First, we will expand the eligibility criteria. Previously, Internet Essentials was available to families with children eligible to receive free school lunches as part of the NSLP. We are extending eligibility to families with children qualified to receive reduced price school lunches as well. We believe that this will make nearly 300,000 additional households in our service area eligible for Internet Essentials—bringing the total to 2.3 million eligible families.
- Second, we will double the speed of the broadband connection provided with Internet Essentials to up to 3 Mbps downstream and up to 768 Kbps upstream, helping to make the service even more attractive.
- Third, we will give our community-based organization partners the ability to purchase Internet Essentials in bulk to help reach more eligible households with a streamlined and more customer-friendly process.

- Fourth, we will further streamline the approval process by providing an instant approval process for families whose students attend schools with the highest percentage of NSLP participation, including Provision 2 schools.
- Fifth, we will expand and enrich our online and in-person digital literacy training efforts.
- Sixth, we will work with Connect to Compete to try to reduce the hardware costs for Internet Essentials eligible families, and to promote the importance of digital literacy and broadband adoption.

As gratifying as our early results are to Comcast, we recognize that there is still a long road ahead. We knew this was not going to be an easy task. But we remain firmly committed to the important cause of providing low-income families with an opportunity to connect to affordable broadband service, purchase discounted computer equipment and receive the digital literacy training they need.

And with the help of public officials, civic leaders, school districts, local community-based organizations and other partners across the country, Internet Essentials will continue to make a profound difference in the lives of those it touches.

There is no higher community investment priority for our company—or for the leadership of our company personally—than Internet Essentials. We are pleased to provide this report on our progress.

Sincerely,

David L. Cohen

Executive Vice President

and I had

Comcast Corporation

Comcast Executive Vice President David L. Cohen enjoys time with students from the Neighborhood Learning Alliance at the Internet Essentials launch event in Pittsburgh, PA.





Since launching Internet Essentials in the 2011 back-to-school season, we received over 400,000 phone calls inquiring about the program, through December 2011.

More than one in five callers (more than 91,000) requested and received an Internet Essentials application. Of these, nearly 51,000 (over 55%) submitted the application, and 94% of the completed applications were approved.

According to a sample customer survey, families who completed the application found it easy to complete. In a similar quality assurance survey of families who did not return their applications, 81% stated they still intend to return the applications (this may well be overstated). In fact, in the earliest cohorts of requested applications, those from August and September of 2011, more than 60% of the applications have been completed (a higher rate than the overall average). In all, only 13% said they had decided not to complete the application. The reason most often given was they did not want/need the service or they realized they did not qualify.

We connected over 41,000 low-income families to the Internet, bringing approximately 80,000 students and an estimated 160,000 people online. This represents 2% of the estimated eligible free school lunch students in our service area after less than half a year of operation of the Internet Essentials program.

Only 3.5% of applications requested were denied. Most of these applications were incomplete or had erroneous information. We have, however, followed up with the vast majority of the families submitting these applications by providing a replacement application and asking them to correct or complete the application and then resubmit it for approval.

Of the almost 345,000 callers that did not request an application, most (53%) were simply requesting general information about the program. An additional 23% did not qualify for the program. (The largest number of these did not live within a Comcast service area, but this category also includes callers who had subscribed to Comcast Internet services within the last 90 days, callers subject to Comcast collection activity and callers who did not have children eligible for a free lunch under the NSLP.) Another 17% of the 345,000 callers had follow-up questions about their applications.

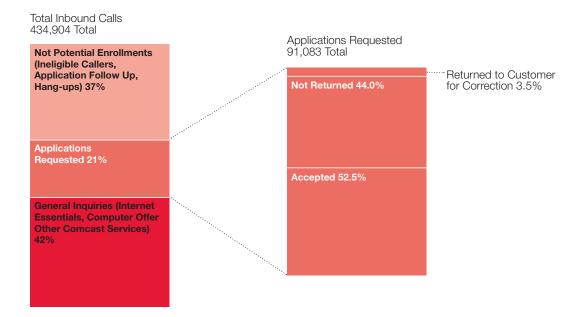
A summary of the specific metrics through December 2011 is as follows:

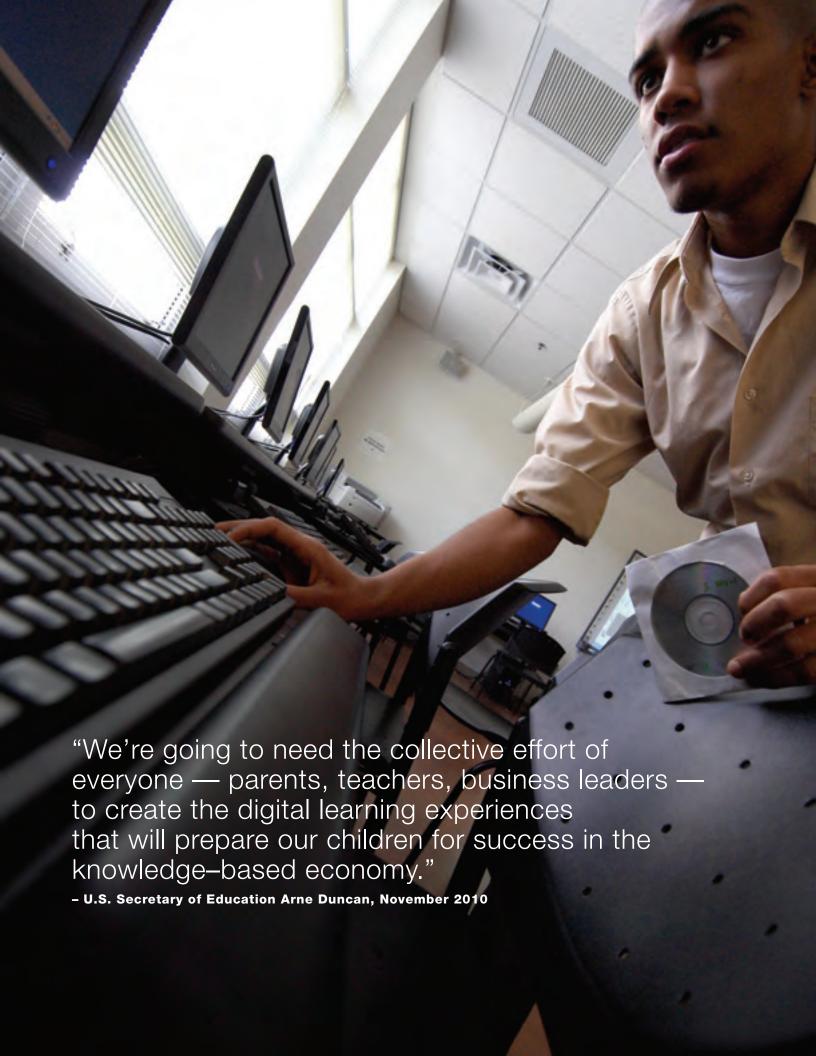
- 434,904 calls into the dedicated Internet Essentials call center
 - 78,956 calls were ineligible for Internet Essentials (18% of the total and 23% of the callers who did not request applications)
 - 58,027 calls were follow-ups to previous orders (13% of the total and 17% of the callers who did not request applications)
 - 25,278 were dropped calls and hang ups (6% of the total)
 - 181,560 were calls requesting general information about the program (42% of the total and 53% of the callers who did not request applications)
 - 91,083 were calls that resulted in applications being sent (21% of the total)

• 91,083 applications requested

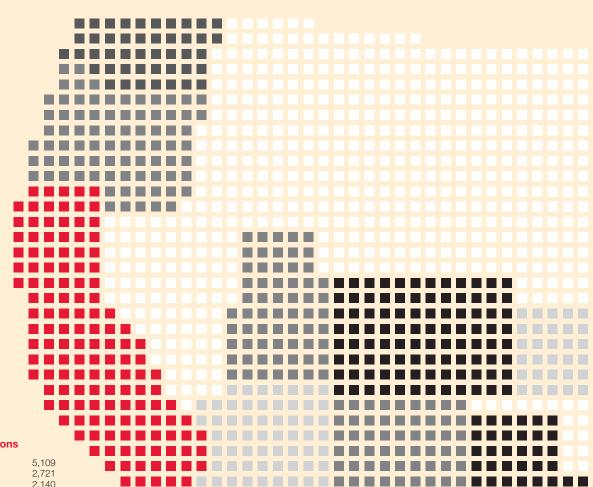
- 52.5% or 47,786 were submitted and accepted; 3.5% or 3,168 were submitted but returned to customer for correction
- 44% or 40,129 were never returned by the customer
- 41,729 families were connected with Internet Essentials, representing approximately 80,000 students and an estimated 160,000 low-income Americans
- 5,531 Internet Essentials families elected to purchase discounted computers through the program

Internet Essentials Calls and Resulting Applications





INTERNET ESSENTIALS ACTIVATIONS



Top County/State Activations

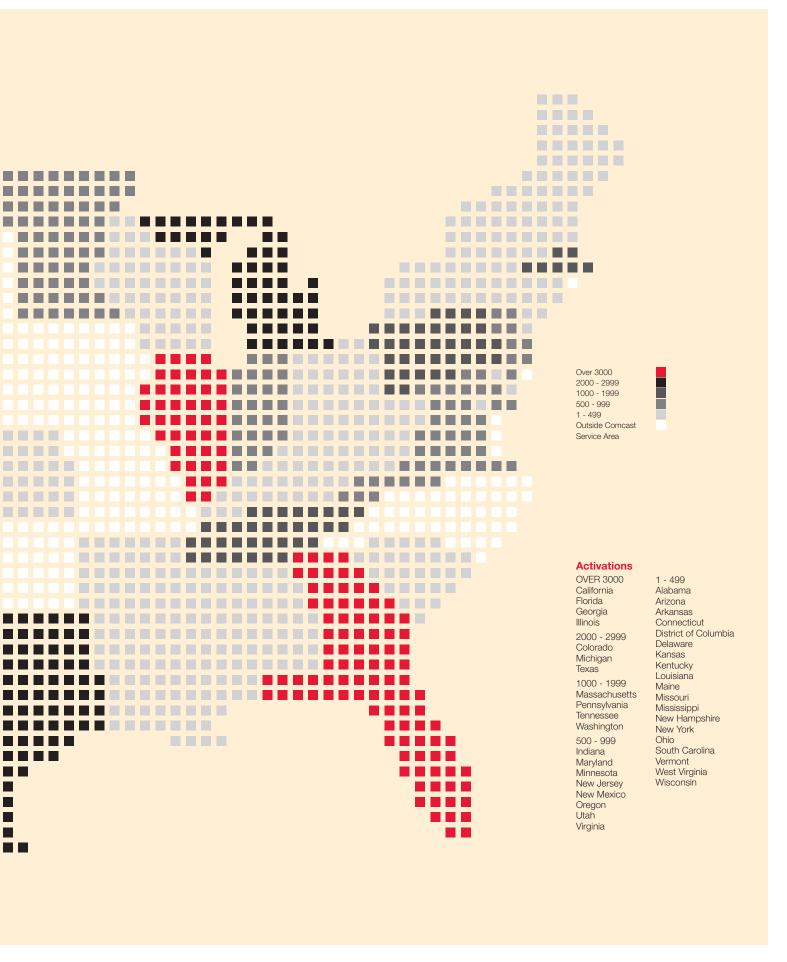
Cook	Illinois	5,109
Miami Dade	Florida	2,721
Harris	Texas	2,140
Broward	Florida	1,245
Wayne	Michigan	974
Fulton	Georgia	858
Palm Beach	Florida	712
Dekalb	Georgia	674
King	Washington	668
Sacramento	California	654
Fresno	California	650
Denver	Colorado	625
Cobb	Georgia	542
Bernalillo	New Mexico	533
Adams	Colorado	483
Gwinnett	Georgia	482
Philadelphia	Pennsylvania	463
Alameda	California	438
Shelby	Tennessee	436
Pierce	Washington	423

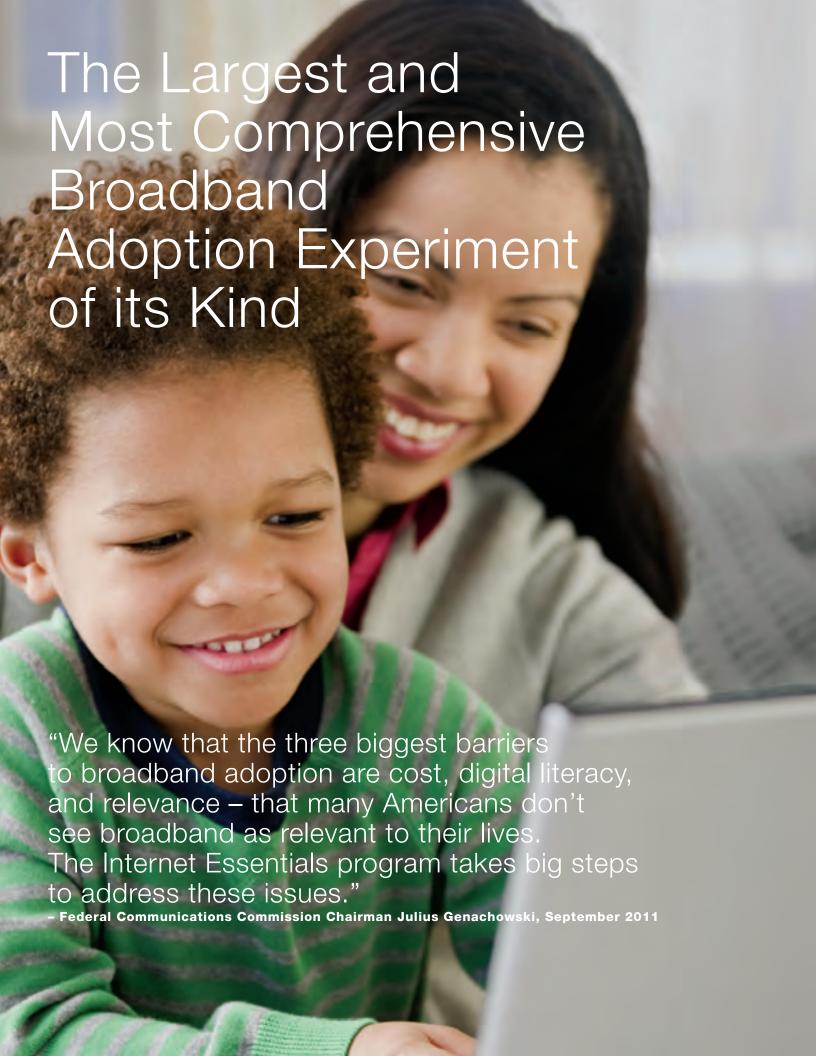
Internet Essentials Launch Report January 2012 10

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Internet Essentials Principal Components

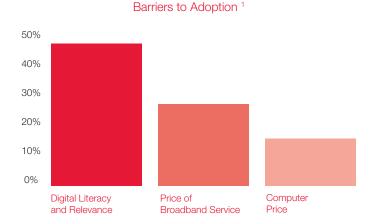
The Internet Essentials program has three principal components:

- Low Cost Internet Service: Internet Essentials provides eligible low-income families in the Comcast service area affordable access to high-speed Internet service from their home. For only \$9.95 per month—around 33 cents a day—eligible families receive Comcast's XFINITY Internet Economy Service with no monthly equipment fees, installation charges or activation fees, representing a discount of at least \$27 a month or over 70% off regular charges for this service. In addition, Internet Essentials families are not subject to standard credit checks and are not asked or required to sign any contracts to take the service for a specified period of time.
- Discounted Computers: As part of Internet Essentials, Comcast has partnered with Dell and Acer to offer eligible families the opportunity to purchase a full-service, Internet-capable computer for under \$150, substantially below retail. Working with our partners, including Microsoft, we offer fully loaded computers with Internet Explorer and productivity software. We also provide the Norton™ Security Suite, a \$160 value, at no additional charge to ensure that Internet Essentials users have a secure online experience.
- **Digital Literacy:** Internet Essentials customers receive access to print, online and in-person digital literacy training free of charge. These digital literacy materials are the first step in helping those who have not been connected understand the value, the relevance and the ease of use of the Internet.

In addition, once we help a family get online, we want them to stay online. Any household that qualifies during the initial three-year enrollment period will remain eligible for the discounted price so long as at least one child in the household continues to meet the program's NSLP eligibility test.

Understanding the Barriers to Broadband Adoption

The FCC has identified lack of digital literacy, lack of relevance, and cost-related factors as the primary barriers to adoption.



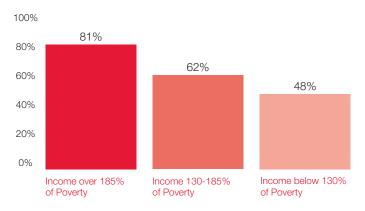
¹Horrigan, John B., The FCC's National Broadband Plan Consumer Survey, Broadband Adoption and Use in America, OBI Working Paper Series 1, February 2010, http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-296442A1.pdf



In developing a program to help close the broadband adoption gap and the resulting digital divide, our first challenge was to identify the proper target demographic. According to the report on broadband adoption by the National Telecommunication and Information Administration (NTIA) entitled *Exploring the Digital Nation*, one of the major factors deterring broadband adoption is household income.

The data show that more than 80% of households earning greater than 185% of the poverty level use the Internet at home; by contrast, less than 50% of households with annual incomes below 130% of the poverty level use the Internet at home.² Accordingly, we decided to focus on households that fall below 130% of the poverty level, about \$30,000 a year for a family of four in 2011.

Broadband Adoption Rate by Annual Household Income

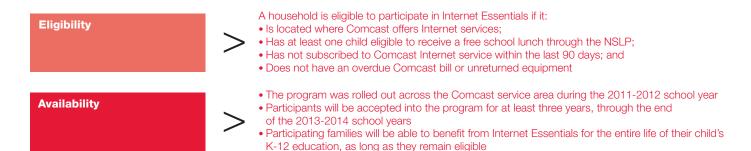


Poverty Status Broadband Adoption Rates Decrease Rapidly as Income Decreases
Source: US Census Bureau, Current Population Survey School Enrollment and Internet Use Supplement, October 2010, and Comcast calculations

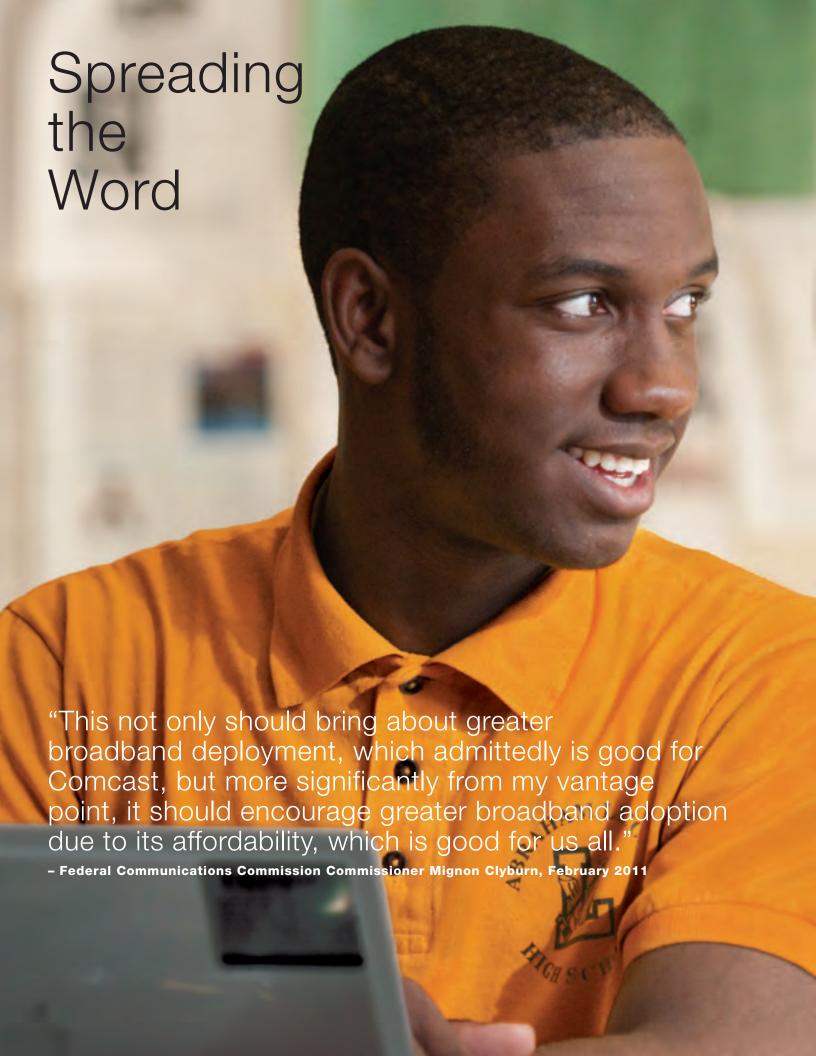
Next, we sought a simple, verifiable, pre-existing index to establish eligibility for potential customers of Internet Essentials. The NSLP, established by the U.S. Department of Agriculture (USDA) and administered by local school districts, provides free lunches to children who come from households at or below 130% of the poverty level. Because of the well-established processes for administering eligibility for the NSLP, we determined this would be a workable, efficient and understandable eligibility benchmark. We were aided in this determination by some of our nonprofit partners who advised us that our target audience had a high degree of familiarity with NSLP eligibility and had experience using that eligibility to qualify for other programs.

Focusing on Low-Income Families

Comcast chose to focus Internet Essentials on bridging the digital divide for low-income families to ensure the program had direct impact on a critical sector of Americans that were not connected at home.



²U.S. Census Bureau, Current Population Survey School Enrollment and Internet Use Supplement, October 2010, http://www.bls.census.gov/cps_ftp.html#cpssupps and Comcast calculations.



Several factors make Internet Essentials unlike any previous Comcast product launch:

- First, there was no direct way to identify potential customers and, therefore, we needed to rely on other means to get the message to eligible households.
- Second, we had to create a demand for broadband in some communities that were essentially "broadband resistant"
 communities that had not embraced this technology due to factors beyond just cost, such as perceived relevance and low digital literacy.
- Third, we had to build trust with customers in this market. Our early research revealed that our target audience was resistant to direct marketing efforts, instead relying on trusted community partners to inform them about programs, products and offers that worked for them. Ironically, many eligible customers we surveyed thought the offer was "too good to be true."

Our research suggested that a potential customer might need to hear our message multiple times from trusted sources before taking action. We therefore focused our engagement campaign on a number of important audiences, including local school districts, local and national community-based organizations, churches and government officials. We also supplemented this with coordinated paid media and earned media campaigns to help deliver a repetitive and consistent message about Internet Essentials.

Internet Essentials Website and Partner Portal

Understanding the importance of working with partners to promote the program, we focused on developing an infrastructure that would allow us to scale outreach unlike anything we had done previously and far beyond our original commitments to the Federal Communications Commission (FCC). Our operating philosophy is simply that if we are going to ask people to help us spread the word about Internet Essentials, we have to make it easy for them to do so. The central building block for our outreach plans was a dedicated website in both English (InternetEssentials.com) and Spanish (InternetBasico.com), which serves as a one-stop destination for information, resources and collateral on Internet Essentials.

Built into this website is a unique Partner Portal, InternetEssentials.com/partner. Using the Partner Portal, anyone can download materials directly or order materials for which we do not charge and which are shipped for free no matter the quantity ordered. By the end of 2011, over 10,000 individuals and organizations had registered for the Partner Portal, the portal had experienced over 100,000 unique visits, and partners had requested 11.5 million pieces of promotional collateral – all at no charge to the partner organizations.







"Hyper-local" Paid Media

We also designed and executed an ambitious paid advertising campaign not required by our initial commitment to the FCC.

Our approach to paid media was based on a deep "hyper-local" strategy identifying geographic areas and media outlets where our advertising efforts would have the most impact. We considered factors such as the concentration of children eligible to receive free school lunches and geographic dispersion.

Based on these criteria, our geographic focus included the top 11 major metropolitan areas in our service area, targeting the vast majority of households with students eligible to receive free lunches through the NSLP who were estimated to live in our largest markets.³ We launched our media buys to coincide with back-to-school weeks in each market and ran them for a total of six weeks.

We implemented a radio strategy, including tactics such as live radio remote event broadcasts hosted by local personalities at which we distributed information about Internet Essentials. We also purchased advertisements in newspapers and community publications to reach our audience within target school districts. The approach of using traditional media tactics, in a hyper-local way, created a sense of relevance and connection for our audience that a more macro-level media buy could not deliver.

As an overlay to the consumer paid media plan, we also purchased advertisements in select publications with the goal of reaching influencers within the educator community — primarily teachers who were interacting with eligible students and families on a daily basis. Thus, we ran print advertisements in both *Education Week* and *Teacher* magazines and placed digital advertisements in their online versions and companion publications.



Denver Internet Essentials launch event attendees include (left to right), Mawukle Yebua, Student, Denver South High School; John Barry, Superintendent, Aurora Public Schools; Rich Jennings, Regional Vice President of the Mile High Region, Comcast; Michael Hancock, Mayor, Denver; John Hickenlooper, Governor, Colorado; David L. Cohen, Executive Vice President, Comcast; Tom Boasberg, Superintendent, Denver Public Schools; Jeff Dolan, Vice President of Government and Regulatory Affairs, of the Mile High Region, Comcast

³ National Center for Education Statistics (NCES) and Comcast calculations.



Today, every family needs Internet access at home. It's become essential to how children do homework, how parents search for jobs, and how families connect to information — and to each other. Now, with **Internet Essentials**[™] **from Comcast**, the Internet is more affordable than ever. If you have a child who receives free school lunches, you may qualify.

Call 1-855-8-INTERNET to learn more.

InternetEssentials.com



Restrictions apply. Not available in all areas. Call for details. © 2011 Comcast. All rights reserved.

Consumer Print Advertisement

English Language Print Advertisements





Today, every family needs Internet access at home.

It's become essential to how children do homework, how parents search for jobs and how families connect to information — and to each other. Now, with Internet Essentials" from Comcast, the Internet is more affordable than ever. If you have a child who receives free school lunches, you may qualify.

Call 1-855-8-INTERNET (1-855-846-8376) **to learn more.**

InternetEssentials.com

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(comcast

Spanish Language Print Advertisement



Hoy, todas las familias necesitan acceso al Internet desde sus hogares.

El Internet se ha convertido en una herramienta esencial para que los niños hagan sus tareas y los padres busquen opciones de trabajo; para que las familias se conecten entre sí y tengan acceso a la información. Ahora, con el **Servicio de Internet Básico** de **Comcast**, el Internet es más accesible que nunca. Si usted tiene un hijo que recibe almuerzos gratuitos, su familia podría calificar.

Llama al 1-855-SOLO-995 (1-855-765-6995) para más información. internetbasico.com

Aplican restricciones. No está disponible en todas las áreas. Llame para obtener los detalles. © 2011 Comcast. Derechos Reservados.

Comcast,

Earned Media

Internet Essentials launch events to mark the new school year were the centerpiece of our earned media strategy, galvanizing a broad range of stakeholders around our mission of urging as many eligible families as possible to enroll. Each event featured a speaker from Comcast describing the program and included mayors, governors, members of Congress, local or state superintendents, and community leaders, all helping to drive the message of the importance of broadband.

We have tracked over 1,400 print and online mentions as well as nearly 600 broadcast television segments. In addition, we have tracked approximately 100 radio interviews with an estimated listenership of over eight million people. We have also found talk radio to be a particularly effective way to reach eligible families.

National	Print and Online: USA Today, Washington Post, TIME, Financial Times, CNET, Fast Company, Associated Press, Bloomberg TV/Radio: CNN, NPR, Local TV affiliates
Regional	Print and Online: Boston Globe, Philadelphia Inquirer, The Hill, Politico, Los Angeles Times, Atlanta Journal-Constitution, Miami Herald, Denver Post, Chicago Tribune TV: Broadcast affiliate stations Radio: Radio Disney Studio/KIID-AM 1470, KYW, WHYY, KQV-AM Pittsburgh, NPR, Rick Jensen Show (DE), WBBM-AM (IL), and other local stations
Ethnic	Print and Online: Al Dia, La Neuvo Herald, El Pregonero, EFE.com, Sing Tao Daily, Philadelphia Tribune, Atlanta Daily World TV: Telemundo, CNN Espanol, Univision Radio: Radio One, David Cruz syndicated national bilingual show, Hablemos Hoy, Radio Estereo Sol, KSJV-FM, Radio Bilingue 91.5/Fresno Spanish Radio, Minority Counterpoint
Tech/Trade/Online	Print and Online: MultiChannel News, Broadcasting & Cable, CableFAX, PC Magazine, Computer Business Review, Digital Literacy, Ars Technica, Wired, Engadget, GigaOm, ZDNet
Education and Nonprofit Verticals	Print and Online: Education Week, Youth Today



Comcast Chairman and CEO Brian L. Roberts speaks at the Internet Essentials launch event in Philadelphia, PA.

Comcast's Atlanta Region encompasses 28 school districts serving 850,000 students in and around the City of Atlanta. Forty-five percent of these students are eligible for free lunches through the National School Lunch Program. Our outreach to these school districts was initially met with some skepticism. Although supportive of the goal of broadband adoption, some districts were concerned that helping to spread the word about Internet Essentials could be viewed as the schools selling a Comcast product. Furthermore, four of the largest school systems in the Atlanta region (representing 49% of free lunch eligible students) were in the midst of bringing on new superintendents, and the City of Atlanta School District was in the midst of leadership change. 5

Despite numerous meetings with school officials, it was not until one of their own became a champion of Internet Essentials that we were able to successfully work with Atlanta-area school districts to spread the word about the program. That champion was Dr. Buster Evans, the Forsyth County Schools Superintendent. Dr. Evans is a former chair of the Georgia State Superintendents Association and leads a school system that is at the forefront of instructional technology. Dr. Evans and his technology director, Bailey Mitchell, became Internet Essentials advocates. They publicly endorsed the effort and gave credibility to the program. Following Dr. Evans' lead, Cliff Cole, Superintendent of the Paulding County School District, proactively reached out to his counterparts in the region to advocate on behalf of the program and as a direct result of his outreach other districts joined in Internet Essentials - including those in Douglas County, Floyd County, Gordon County, Calhoun City and Bartow County. Thanks to the Superintendents' hard work, the Atlanta market has one of the highest response rates to Internet Essentials in the entire country.

Atlanta

Comcast Executive Vice President David L. Cohen greets an Atlanta student on the first day of school.



4.5 NCES and Comcast calculations

Comcast reached out to and met with every one of the 68 school districts in the Denver region, attended many back-to-school and parent/teacher night events, participated in teacher conferences and sent representatives to school resource fairs held by public, charter, private and parochial schools. Tom Boasberg, Denver Public School's (DPS) Superintendent, became a champion of Internet Essentials. He promoted awareness of the program at monthly seminars held for all of his DPS principals, and encouraged his staff to form what is now referred to as the "Comcast Outreach Committee."

This committee brings together a broad crossfunctional group, including DPS information technology officials, DPS parent/teacher engagement specialists and representatives of community organizations that work with DPS schools, in order to discuss ways they can help more DPS families become aware of Internet Essentials and then help spread the word. The DPS "Comcast Outreach Committee" is a unique and notable example of how one district has created an infrastructure to disseminate information about Internet Essentials and drive participation among local families. This "cascading" communication approach has ensured that information about Internet Essentials flows through a number of channels to reach the desired audience. The District will soon launch its own Internet portal for parents. Internet Essentials will be prominently featured, and the District's portal signup kits will also include Internet Essentials materials. The District's partnership is a best practice that has contributed to dramatic results, with Denver having a solid response rate to the program.

Denver



Denver Mayor Michael B. Hancock observes the Internet Essentials launch event in Denver, CO.

These mentions generated more than 750 million media impressions for Internet Essentials through our sustained media effort over five months, on average seven times the size of our other major media campaigns in 2011. In contrast, the launch of our Extreme 105 Mbps speed tier (one of Comcast's major 2011 product launches) resulted in 156 million impressions.

Media Impressions by Outlet Type



Public Service Announcements and Comcast Newsmakers

To further promote awareness of Internet Essentials, we launched a bilingual Public Service Announcement (PSA) campaign across our service area. The Internet Essentials PSA campaign commenced in 19 cities and states as paid and earned-media runs were ending, helping to sustain awareness efforts. The campaign featured recognized leaders in the community such as Philadelphia Mayor Michael Nutter, Delaware Governor Jack Markell, Georgia Governor Nathan Deal, California State Senator Alex Padilla, and leaders of Urban Leagues affiliates and other community organizations talking about the importance of broadband adoption.

In addition, we recorded and aired "Comcast Newsmakers" segments regarding Internet Essentials. Comcast Newsmakers is a five-minute public affairs program that airs on CNN Headline News on Comcast Cable systems at 24 and 54 minutes past the hour and is available On Demand and online.

In all we aired over 7,000 PSA spots and over 4,000 Comcast Newsmakers segments nationally, none of them required by our initial commitment to the FCC. We will continue to execute an extensive PSA and Comcast Newsmakers campaign in 2012.



Baltimore Mayor Stephanie Rawlings-Blake appears on the Comcast Newsmakers program to discuss Internet Essentials.



The coordinated paid and earned media campaigns were important to spreading the word, but the cornerstone of our communications plan was our extensive partnership with a diverse array of leaders from the education, government and nonprofit sectors across our service area.

- Outreach to over 4,000 school districts more than 30,000 schools
- More than 1,000 community-based organizations, including churches, libraries, and PTAs
- Over 100 members of Congress
- More than 2,000 state and local officials
- Approximately 30 intergovernmental associations
- Over a dozen national educational organizations

Schools

Schools have proved to be our most essential partner, helping us promote Internet Essentials to eligible families by allowing us to send literature along with their normal NSLP notifications. Our "Spread the Word" campaign consisting of flyers and brochures that schools could include in their communications to families; posters they could put in their computer labs, hallways and offices; and pre-formatted ads and background information they could easily insert into their emails and newsletters. We created documents with the input of school district leaders to suit their needs — ranging from professional-looking marketing materials to simple letters — and made all of them available through the online Partner Portal.

As a result of this extensive outreach campaign, nearly 20,000 schools, representing over 70% of all qualified NSLP eligible families,⁶ became our partners in promoting Internet Essentials and distributed millions of program materials to eligible families. This outreach by schools was crucial to the success of the effort, as nearly 50% of Internet Essentials families cited school communications as their primary source of awareness.⁷ Engaged school districts clearly resulted in more families participating in Internet Essentials. Thus, across the top 600 school districts in our service area, there is a statistically apparent correlation demonstrating higher performance in districts that ordered enough brochures for all students (or at least all eligible students) as opposed to districts that ordered lower quantities of materials.

⁶ NCES and Comcast calculations. ⁷ 2011 Survey by Muldoon Marketing Research, Inc.

If your child receives free school lunches, you may qualify for Internet Essentials" from Comcast.

Bring the Internet home for just \$9.95 a month.

The world has gone digital. Internet service has become essential for success. That's why we created internet Essentials, it's available to households with children who receive free school lunches under the National School Lunch Program. While participating in internet Essentials, customers will receive:









Get fast Internet service so the whole family can enjoy:

- + Email
- + Homework
- + Sharing photos
- Job searches
- + Paying bills online
- + Watching videos
- Downloading music
- + And so much more!

Sign up today!

Call toll-free: 1-855-8-INTERNET (1-855-846-8376), For more information visit: InternetEssentials.com.

Postrictions apply Not assistable in all areas. Limited to NFMTY* internet Economy service for new residential customers meeting certain eligibility criteria. Advertised price applies to a single customer in dependent on the guaranteed. After initial participation, if a customer is determined to the no longer eligible for the program but confinued to receive Compact service, regular rates will apply to the program but confinued program forms and conditions. Call 1 1655-646-6375 for restrictions and complies details, or well intermet Economics. City 11 Compact, All rights reserved. Internet Economics is a program to provide home internet service for families, it is not a school program, and is not endorsed or required by your school. Your school is not responsible for internet Economics.





Si tu hijo recibe almuerzos escolares gratuitos, podrías calificar.

Obtén un servicio de Internet rápido y económico para tu hogar.

Servicio de Internet Básico" de Comcast





CAPACITACIÓN DE INTERNET GRATUITA Disportole en línea, en moteriales impresos y en persona





Tener Internet se ha convertido en algo esencial. No esperes más. Ve cómo puedes conectarte.

Llama al 1-855-SOLO-995

(1-855-765-6995)

o visita InternetBasico.com

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Local Community-Based Organizations, Libraries, and Faith-Based Organizations

We recognized that community-based organizations, libraries, and faith-based organizations would be critical local partners in helping us spread the word about Internet Essentials, particularly given the important role that community-based and faith-based organizations play in providing tech centers and other programs aimed at improving the lives of low-income families. As with all stakeholders, we effectively used the Partner Portal to make it easy for these community-based organizations to help us.

To further assist these organizations, we combined all of our outreach materials and created Partner Toolkits that we delivered to any interested organization. These toolkits contained 100 bilingual flyers, 100 bilingual brochures, a brochure holder, four posters, three pens and a specially designed Partner Program guide to help identify ways that our partners could help make Internet Essentials a success in their communities. We distributed over 1,500 of these toolkits around the country.

Today, we count over 1,000 community-based organizations, including churches, libraries, and PTAs, as our partners. Importantly, we have never turned down any community-based organization's request to partner with us.

National Community Partners

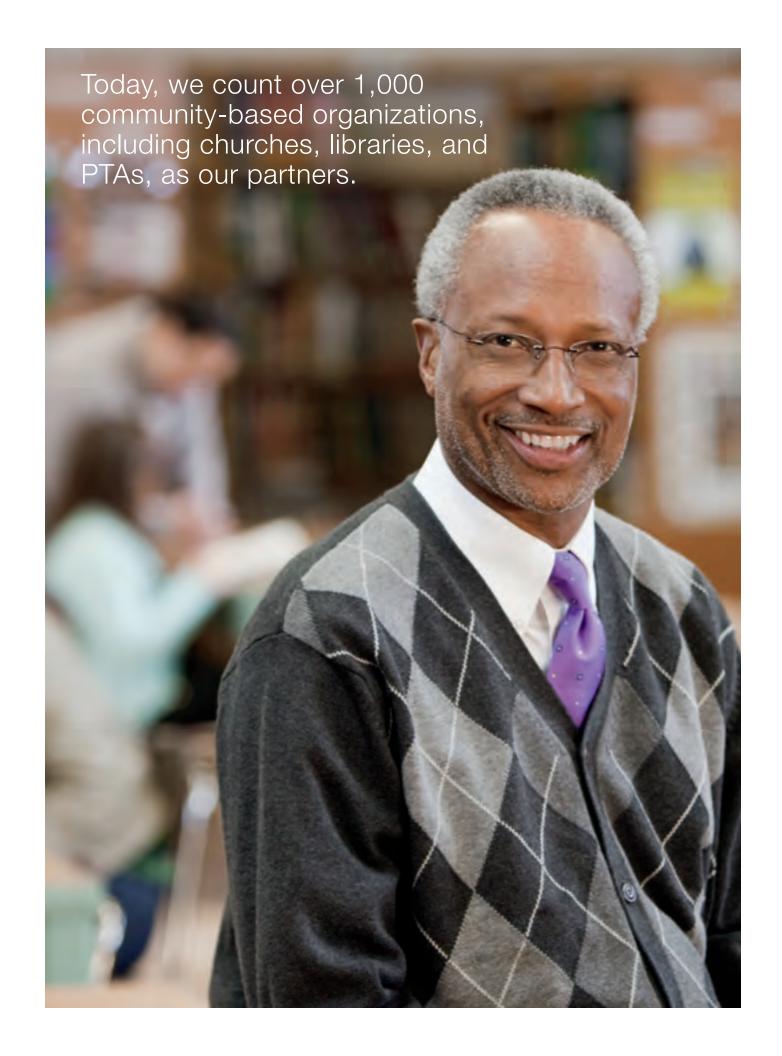
To facilitate the growth of partnerships across the nation, we worked with established nationwide community-based organizations that have a strong local presence. We hosted interactive webinars with the national staff and local affiliate leadership of the Boys & Girls Clubs of America, City Year, Teach for America, Big Brothers Big Sisters of America, United Way Worldwide, One Economy, LULAC, and the National Urban League, among others.

Federal, State, and Local Officials

Federal, State, and local elected and appointed officials have also played an essential role in promoting public awareness of Internet Essentials. These officials helped us create an atmosphere of support and excitement around Internet Essentials by encouraging local school districts to promote the program as a means of overcoming the achievement gap while providing a call to action for community-based organizations to utilize it as a tool to effect change in their communities.



Washington, D.C. Internet Essentials launch attendees include (left to right) Kaya Henderson, D.C. Public Schools Chancellor; Kyle E. McSlarrow, President, Comcast/NBCUniversal Washington, D.C.; Donna Rattley, Regional VP, Government & Regulatory Affairs, Comcast; Kelley Dunne, CEO, One Economy; Rahman Branch, Principal, Ballou High School; Julius Genachowski, Chairman, FCC; Rey Ramsey, President & Chief Executive Officer, TechNet; David L. Cohen, Executive Vice President, Comcast





Although Comcast has ample experience in launching new products and services, the eligibility rules for Internet Essentials created a unique set of operational challenges. We sought to address these challenges while keeping the Internet Essentials application process as easy and efficient as possible, providing applicants with clear instructions, guidance and regular reminders throughout the process.

Operationalizing Eligibility

Our first hurdle was to determine how to verify eligibility of prospective customers. Although the USDA nationally standardizes NSLP eligibility criteria, an individual family obtains free lunch certification status on a local basis. In practice, there are variations among school district eligibility determinations. In addition, there are substantial privacy considerations and regulations associated with the NSLP that prevent the government from simply supplying a list of eligible families to a private company like Comcast.

We hired an established third-party verification specialist, Solix, to verify NSLP participation using copies of the annual notifications provided by school districts to students eligible to receive a free lunch. To support interested families through the application and verification process, we established a dedicated call center with specially trained agents. As noted above, our expert consultants also advised us that the NSLP population was experienced in using their NSLP status to apply for other benefits and services, so there would be a basic level of comfort with the eligibility and application process we were creating.



Congressman James Clyburn,
FCC Commissioner Mignon
Clyburn and Comcast EVP
David L. Cohen congratulate
a participant in the Comcast
Digital Connectors program at
the Carolina Youth Development
Center in North Charleston,
South Carolina.

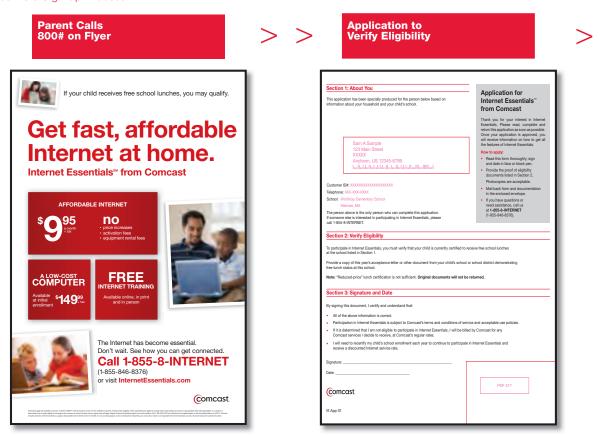
Improvements to Application Process

As we rolled out Internet Essentials, we improved the application process based on our observations of customer experience to ensure that the customer intake process did not materially hinder or delay families from enrolling in Internet Essentials. Changes made to date include the following:

- Shortly after launching the program, we comprehensively reviewed approximately 20 hours of recorded service request calls. Based on findings from that effort, we revised our call center script to more quickly and directly initiate the enrollment process.
- When we saw that some applications were not being returned, we initiated a "resend and remind" program, which automatically sent replacement application kits to those who failed to return their application within three weeks.
- To speed and simplify the application return process, we added the option for applicants to fax back applications. Additionally, we began accepting prior year free school lunch letters as supporting documentation.
- After observing some of the most common causes of non-approved applications, we began inserting a brightly colored reminder list into the application kit.

More improvements to the application process are underway. Research on families who requested applications but had not returned them revealed that gathering the required documentation was a possible barrier or point of delay. Thus, we are instituting an instant approval process for certain eligible families, such as those with children in Provision 2 schools, thereby allowing a person to complete the application over the phone without a separate verification step. We estimate that 15% of free school lunch eligible families — over 300,000 households — will qualify for this expedited approval process. We will also be enabling organizations to purchase Internet Essentials in bulk on behalf of eligible low-income families in their community.

Internet Essentials Sign-up Process



⁸ Provision 2 is an option that enables schools and institutions to provide free meals to all of their students while reducing paperwork and administrative costs. While any school that participates in the NSLP may opt for Provision 2, generally schools with high percentages of low-income students (75% or more) are able to utilize this option.

Other Unique Operational Challenges

There have been other operational challenges that required a unique approach for Internet Essentials customers, different from how we typically interface with customers:

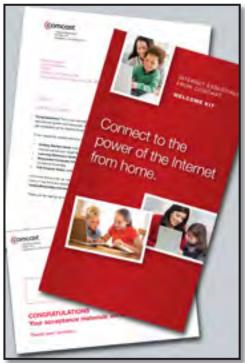
- Comcast's general sales and billing platform was augmented to support and track the additional components of the Internet Essentials offer.
- The low-income population for whom Internet Essentials was designed encompasses a disproportionately large non-English speaking population. Thus, we had to be prepared to provide translation services and other support for this non-English speaking population.

Based on all these understandings and our experience with the program to date, we developed a workable way for getting customers through the application, verification, activation and installation processes. While there were some early challenges with the application process, our initial view that using NSLP as an eligibility gate would be understandable, navigable and efficient for the NSLP population generally proved to be accurate. Nevertheless, the substantial drop-off from applications requested to sign-up (a total of almost 46%) has led us to work on simplifying the process and to making a number of changes in an effort to drive that percentage higher.

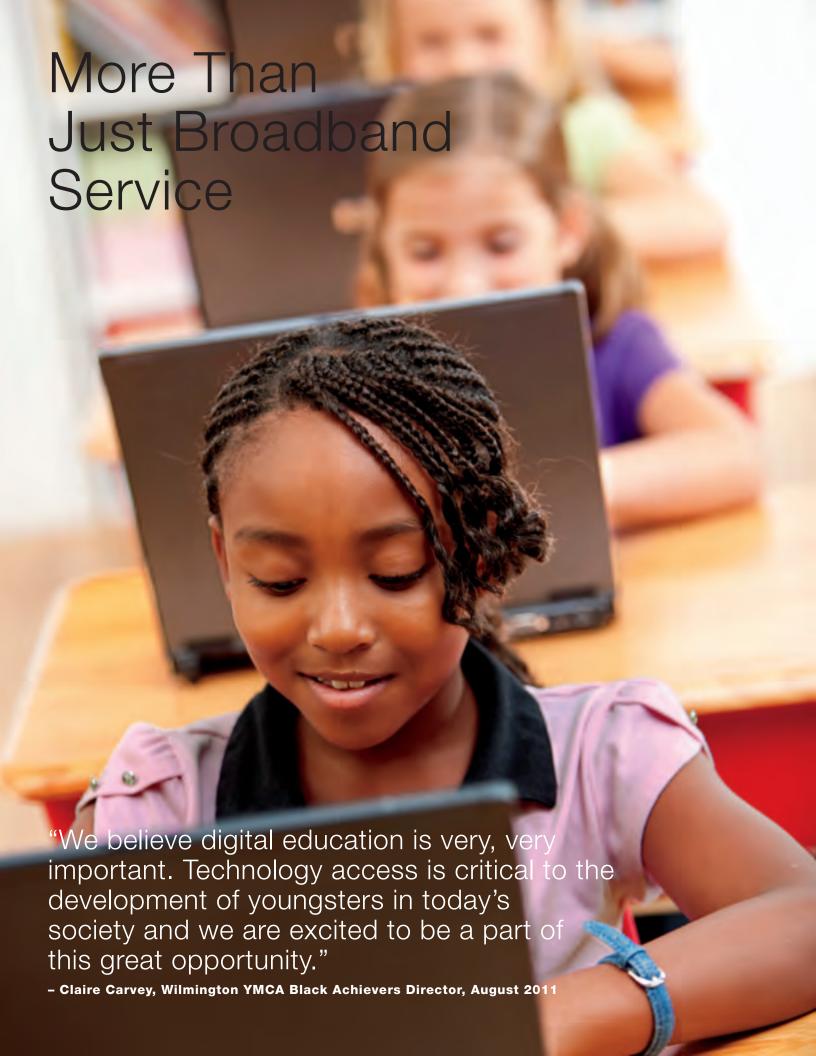
Welcome Kit Shipped



Equipment Received







Providing affordable broadband service is just one part of Internet Essentials. We also offer customers an opportunity to purchase a low cost computer and access to free digital literacy training.

Computers

We wanted to provide Internet Essentials families with the opportunity to purchase a discounted computer that could do more than just surf the web and send email. It was important that the computer be able to run a full suite of productivity, educational and security software. We knew this would be a challenge, so we conferred at length with experts from the teams at Intel, Microsoft, One Economy and Computers for Youth to develop the best options.

Working with our equipment partners at Dell and Acer, we were able to offer Internet Essentials families the opportunity to purchase a discounted netbook computer running Microsoft's Windows 7 Starter operating system with preinstalled web browser software and basic productivity software. Our vendor partner, Seneca, provides end-to-end customer service including sales, technical support, and warranty coverage, according to their standard policies.

To ensure that only approved Internet Essentials families were able to take advantage of this offer, we assigned each applicant a unique computer discount code upon approval of his or her completed application. Comcast worked with Solix to develop a first-of-its-kind platform that could generate unique discount codes, allow computer vendors' sales representatives to easily validate a customer's code and provide Comcast's centralized call center with the ability to troubleshoot problems (and replace codes, if necessary). Importantly, this unique system allows Comcast to include new vendors as the program continues and dynamically match orders with providers to ensure supply is never depleted.

While the pre-existing research suggested that lack of computer hardware in the home was a major hurdle to closing the broadband adoption gap, our experience to date suggests that this may be less of a problem than anticipated. We were frankly surprised by the relatively low number of families who have opted to purchase a computer through Internet Essentials. While we had an initial concern with the \$150 price point, our research shows that more than 80% of the families signing up for Internet Essentials report already owning a computer, and of those that did not purchase a computer only, a third thought price was a barrier.



English Language Computer Card



Spanish Language Computer Card

Training - In Print, Online and In-Person

In order to break down the digital literacy barriers to broadband adoption and to help Internet Essentials families take full advantage of their new online experience, we developed and deployed an ambitious digital literacy strategy — one that extended beyond our original commitment to the FCC.

First, we prepared and provided a collection of printed digital literacy materials for inclusion in the Internet Essentials Welcome Kit. The Welcome Kit includes lesson cards that show the user how to install and activate his or her Internet service, protect his or her computer by installing Norton™ Security Suite and set parental controls with Norton Online Family. The information cards also include helpful tips on how to get the most out of the Internet and direct the user to the Internet Essentials Online Learning Center to explore further.

In addition to the printed digital literacy materials included in the Welcome Kit, we also developed the Internet Essentials Online Learning Center, which serves as a central hub of online digital literacy training materials, providing easy access to a simple curriculum to help families improve their digital literacy. The website is available in both English (InternetEssentials.com/learning) and Spanish (InternetBasico.com/aprender), and users can find tutorials on how to set up email, protect themselves and their families from viruses and other malware, keep children safe, locate useful resources for anything from professional growth to healthcare and find Comcast support for service issues.

The Internet Essentials Online Learning Center is continuously updated with additional content and links to digital literacy training resources. For example, in recent months, we have added additional digital literacy content to the Online Learning Center. As we move forward, we will continue to improve the user experience of the Online Learning Center by making it more interactive, expanding the depth of digital literacy content by partnering with other experts in digital literacy and online learning (including Common Sense Media, One Economy and NBC Learn), and increasing the visibility of the Online Learning Center by increasing promotion of it with partners and media. In addition, we plan to provide a direct link to the extensive online digital literacy materials expected to be a part of the Connect to Compete website once it is launched, solidifying the one-stop shop advantages of the Internet Essentials site and its Online Learning Center.



Students go online at the Internet Essentials launch event in Fresno, CA.

Reverend Horace L. Sheffield III has been a preacher in Detroit, Michigan since 1978. He is the pastor of Detroit's New Destiny Baptist Church and the executive director of the Detroit Association of Black Organizations, where he established and administers their Detroit Cares Academy (DCA) and Project Self-Sufficiency programs.

Reverend Sheffield and the DCA are using Internet Essentials to further facilitate the graduation of high school students who have either incomplete or failed classes and must earn credits to finish school. One of DCA's programs enables students to make up those credits by taking or finishing classes online.

The DCA keeps its computer lab open late in the evenings and weekends in an effort to serve students who may not have Internet access at home. With Internet Essentials, more families are able to have broadband access in their homes and thus fewer students are spending long hours and late nights at DCA's computer labs.

To promote Internet Essentials in his community, Reverend Sheffield regularly holds community forums with religious leaders, community activists, educators and others who service the specific population that is most at risk of being affected by the digital divide. Reverend Sheffield also uses his weekly radio program "On the Line with Reverend Horace Sheffield" and TV program "Real Talk" to spread the word about Internet Essentials.

Detroit

Comcast Vice President, External and Government Affairs Bret Perkins looks on as a student goes online at the Internet Essentials launch event in Detroit, MI.



When Comcast acquired its cable systems in the Greater Miami market in November 2002, the prior operator had not made broadband service available to the entire market. When Comcast took control, we built and executed a community investment strategy to ensure that:

- Broadband Internet service was available marketwide within 24 months;
- Anchor institutions, such as the Boys & Girls Clubs, Big Brothers Big Sisters, the Urban League, United Way and other community centers had courtesy high-speed Internet access so families that did not have broadband service at home could access the Internet; and
- The community had access to digital literacy and broadband adoption programs such as the Digital Connectors program with partners like Volunteer Broward, Elevate Miami and the YMCA.

When our community partners learned that we were committed to raising broadband adoption rates of lowincome families they quickly became vocal champions of Internet Essentials. Based on their historic partnerships and experience with us in Miami, they knew we were serious and committed to this project. They also understood we would need their help. City Year of Miami, Elevate Miami, Urban League of Broward County, Volunteer Florida and the Cuban American National Council are some of the organizations that expressed their commitment to promote the program, and each immediately registered as a partner on our Internet Essentials Partner Portal and ordered free promotional materials. They distributed these materials during neighborhood meetings, canvassed their communities with Internet Essentials materials in English, Spanish and Creole, displayed Internet Essentials materials at their sites, and shared them with other community leaders and public and private service agencies with whom they partner, including local schools. Their partnership resulted in the Miami market having one of the highest response rates to Internet Essentials in the country.

Miami

Students use the Internet at the Internet Essentials launch event in Miami, FL.



We also recruited and engaged a network of more than 300 community-based organizations to provide in-person digital literacy training. We pre-screened organizations interested in providing training and qualified certain organizations as Internet Essentials Training Partners.

To become qualified, the community-based organization had to meet the following criteria:

- Have training facilities located in a Comcast service area;
- Have a computer lab with a projector and at least 10 working computers with Internet access;
- Have a facility with ample restrooms, handicap accessibility, nearby parking and easy access/proximity to public transportation; and
- Send at least one potential trainer to participate in a Comcast-led "train-the-trainer" session between late August and mid-October 2011.

All training partners received a copy of the Internet Essentials Training Facilitator's Guide (in both English and Spanish), which was specially prepared by professionals at Comcast University in conjunction with significant digital literacy nonprofit partners such as One Economy, Common Sense Media and iKeepSafe, along with a USB flash drive with a copy of the Internet Essentials training presentation.

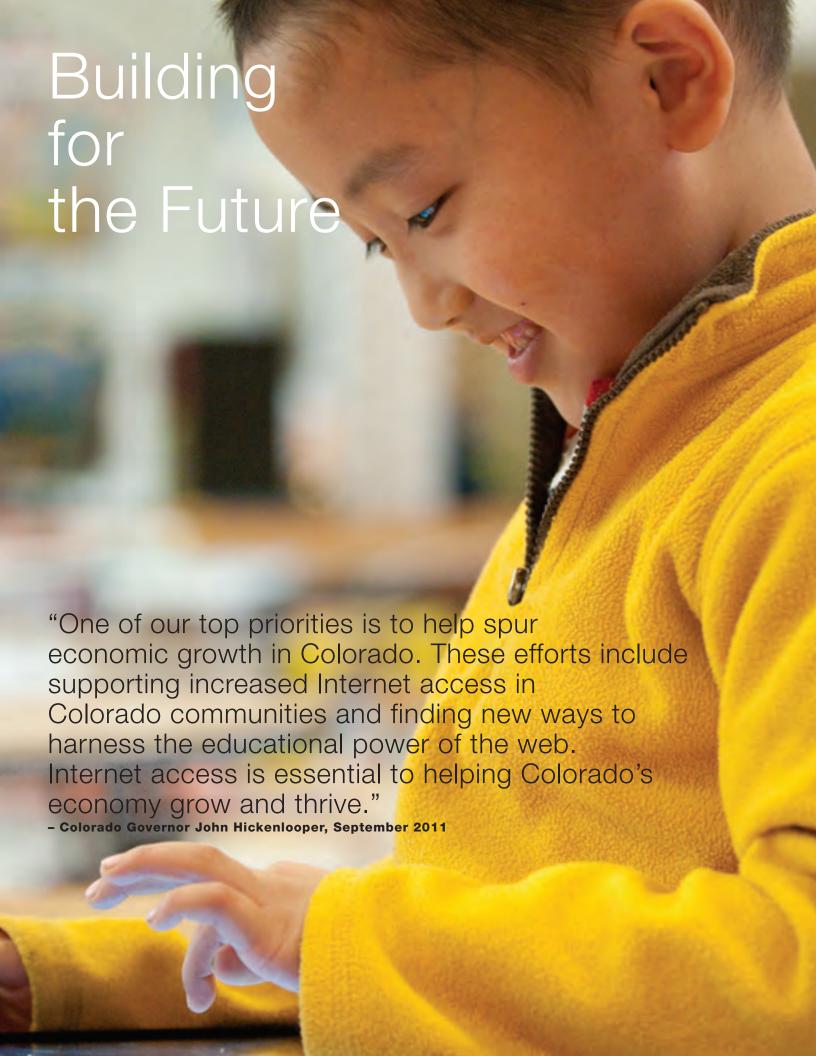
Before their scheduled trainings, each organization received customized promotional materials to share with their constituencies. Dates and locations of these sessions were also posted on the Internet Essentials website so customers could find local training opportunities.

Between August and December 2011, Internet Essentials training partners hosted nearly 300 digital literacy training sessions across the country with over 1,250 attendees. In-person digital literacy training sessions were delivered primarily in English and Spanish, with several sessions facilitated in other languages including Mandarin Chinese and Creole. While early enrollments were limited, expansion of outreach and promotional efforts by Internet Essentials training partners boosted attendance at later sessions, and we helped training partners to share best practices with one another.

We continue to review our training program with our partners, reviewing one-on-one and focus group feedback, trainer feedback, trainee surveys and training session observation forms to improve future Internet Essentials digital literacy training strategies, curriculum and outreach efforts.







Before Internet Essentials, no private company had tried to tackle all the major barriers to broadband adoption in one comprehensive program. Our work to design and implement Internet Essentials helped build momentum for other stakeholders to try similar programs. Recently, the FCC, under the leadership of Chairman Julius Genachowski, together with the National Cable & Telecommunications Association and a group of nonprofits and diverse technology companies, followed suit and adopted the Connect to Compete initiative, which closely tracks Internet Essentials in structure and intent.

Lessons Learned

In the short time since launching Internet Essentials, we have learned a great deal. Certain aspects of Internet Essentials are performing above expectations; others are not working as well as we would like. Some of these lessons were learned in our day-to-day experience, while others are the outgrowth of our survey research.

Key lessons learned to date include the following:

- Participation is directly tied to school and community engagement. Simply stated, in areas where we had more involvement from our community partners and in particular, strong school district support, we had noticeably higher participation levels in the program. Our research revealed that partnering with trusted members of the community, such as school districts, faith-based organizations, providers of social services, community-based organizations and local officials would be the most effective way to inform low-income families of the program. Our research also revealed that nearly half of all customers became aware of Internet Essentials from their schools. And when we observe the response rates in the largest school districts, it appears that there is a real correlation between the schools that aggressively promote the program and the number of families signing up for Internet Essentials. We will, therefore, be working to get schools even more engaged in the effort.
- Publicity, both paid and earned media, is an important complement to an engaged school district. We, therefore, intend to continue our paid and earned media strategies, including our PSA and Comcast Newsmaker campaigns.
- Broadband relevance will take more time to address. Our research reaffirms that broadband education is important and necessary for customers to fully appreciate and use the service. We also discovered that there is a wide range of digital literacy readiness, and we need to factor this into our training. It is also clear that our Online Learning Center is underutilized. We continue to work with our community partners and organizational experts in digital literacy to further understand the spectrum of needs of our targeted audience, how we can better promote awareness of the resources we are making available and how we can improve the accessibility and depth of content we offer.
- The application process should be made as simple as possible. Over the course of launching the program, we made several adjustments to the application process and introduced numerous tactics to ensure a smooth customer experience. We want to eliminate every possible upfront barrier for eligible families to apply for and get accepted into the program and continue to seek out new and better ways to both simplify it and get families online faster.

Philadelphia Mayor Michael A. Nutter speaks at the Internet Essentials launch event in Philadelphia, PA.



2011 Program Adjustments

As we have outlined in this report, we have drawn upon these learnings to adjust the program throughout its early implementation.

Over the course of 2011, we

- Updated our call center training and scripts to more quickly and directly initiate the enrollment process;
- Initiated a "resend and remind" program, which automatically sends replacement application kits to those who have failed to return an application within three weeks of receiving it;
- Added an option for applicants to fax back applications;
- Begun accepting prior year free school lunch letters as supporting documentation; and
- Inserted a brightly colored reminder checklist into the application kit to ensure documentation is filled out properly the first time.



FCC Chairman Julius Genachowski talks with a student at the Internet Essentials launch event in Washington, DC.

2012 Program Adjustments

We are also announcing a series of additional program adjustments for even greater success in 2012.

- Expand Eligibility: Our initial eligibility rules limited the program to families with at least one child eligible to receive a free school lunch as part of the NSLP. We have decided that expanding the Internet Essentials eligibility rules to include families with at least one child qualified to receive a reduced price school lunch as part of the NSLP would simplify questions around eligibility, clarify the messaging for our school and community partners and provide more low-income families with an opportunity to cross the digital divide. This expansion, which will be effectuated during the second quarter of 2012, will add an estimated additional 300,000 households in our service area eligible to participate in Internet Essentials, moving well beyond our commitment to the FCC and bringing the estimated total eligible population to 2.3 million families.
- Streamline the Process: We are introducing additional enhancements to the application process, including an instant approval process for families with students in schools that provide free school lunches to all students, such as Provision 2 schools, and enabling organizations to purchase Internet Essentials service and discounted computers in bulk on behalf of eligible low-income families in their community. We estimate that the instant approval process will cover about 15% of the free school lunch eligible population or over 300,000 families. Instant approval for Provision 2 families will be effective immediately and we will offer the ability to make bulk purchases during the first quarter of 2012.
- Increase Speed: Effective during the second quarter of 2012, we will double the speed of the Internet service to up to 3 Mbps downstream and up to 768 Kbps upstream. By increasing the service speed, we will further enrich our customers' online experience and add even greater value to the offer.
- Hardware pricing: Working with our private vendors, and with the Connect to Compete collaborative, we will try to reduce the cost of computer equipment to Internet Essentials families.



Students and teachers attend the Internet Essentials launch event in Fresno, CA.

- Increase Outreach and Engagement: Based on feedback from families enrolled in Internet Essentials, we know that the more they hear about our program from local sources they trust, the more likely they are to respond to this unique opportunity. We, therefore, have plans to increase our focused efforts to spread the word by working with schools, libraries, community centers and additional nonprofits and agencies that serve low-income families, such as employment offices and departments of families and children services. Lastly, we look forward to the introduction of the Connect to Compete collaborative and we are identifying ways to work together on outreach and to take advantage of the promotional activities of Connect to Compete.
- Expand and Enrich Digital Literacy Training: We are also committed to expanding and enriching our in-person and online digital literacy training, changes that we will roll out throughout 2012. We plan to provide a wider array of training opportunities working in cooperation with our community-based partners, who intimately understand the needs of their communities. In many cases, we have experienced greater participation when generalized training is tied to other relevant interests such as job search and job training. We also plan on further development of our Online Learning Center to provide families with enhanced content and a broader array of training options. We are consulting with content partners like Common Sense Media, One Economy and NBC Learn to make the content more relevant and dynamic. And we look forward to the launch of the online digital literacy learning portal by the Connect to Compete collaborative, which we intend to link into our Internet Essentials Online Learning Center.

Conclusion

A significant amount of work has gone into launching Internet Essentials. As with the launch of any new product or service, we have spent a great deal of time analyzing the program's operations to determine how to improve the delivery of the service. Our partner for this evaluation is the Joint Center for Political and Strategic Studies. This report focuses on the first five months of the program.

While we are enormously proud of what we have accomplished, and are pleased to share our early results and lessons learned, we know that there is still more work to be done. We also recognize that we are not alone in this endeavor. With the help of our partners, we have enabled over 41,000 families to cross the digital divide in less than six months. With the support of our current and future partners, we will continue to break down the barriers to broadband adoption across the country.

We look forward to sharing even more results and lessons learned in the months and years ahead.

Notes

Notes



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InternetEssentials.com

